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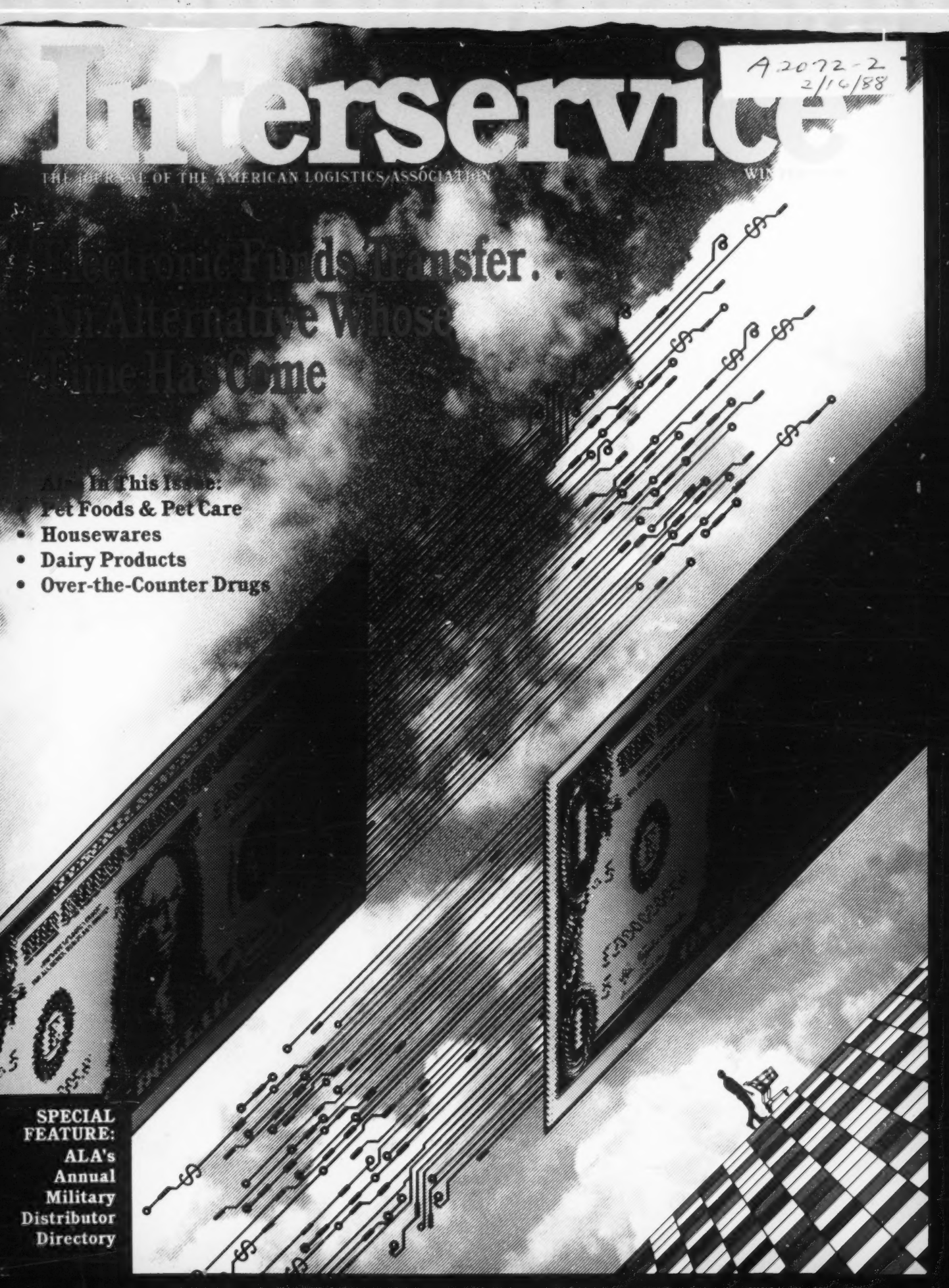

Also In This Issue:

- **Pet Foods & Pet Care**
- **Housewares**
- **Dairy Products**
- **Over-the-Counter Drugs**

SPECIAL FEATURE: ALA's Annual Military Distributor Directory

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EDITORIAL
ALA VIEWPOINT
BY A. KOLBET SCHRICHTE 5

PET FOOD & PET CARE MARKETING
THE MILITARY PET: WELL-BRED AND WELL-FED
BY KATHY BOYLE
Nothing's too good for the military household pet! 20

HOUSEWARES MARKETING
HOT HOUSEWARES: THE SECRET OF THEIR SUCCESS
BY LAURA J. KREGEL
Military exchanges—with the help of the suppliers—are full steam ahead in the sale of the newest and best housewares. 33

DEBITS & CREDITS
ELECTRONIC FUNDS TRANSFER: AN ALTERNATIVE WHOSE TIME HAS COME
BY JILL WECHSLER
Is the military ready for the new world of electronic funds transfer? 40

DAIRY PRODUCTS MARKETING
PROFITS GROW AS DAIRY CASES OVERFLOW
BY SANDY EVANS
A look at the number and variety of foods sold in the chilly interiors of the dairy case. 47

OTC MARKETING
RX FOR THE MILITARY FAMILY
BY CATHY SPEEGLE and KATHY BOYLE
In abundant supply, military consumers head to their commissaries and exchanges to stock up on their OTC ammunitions of choice. 57

FACTS & FIGURES
SPECIAL REPORT
ALA'S ANNUAL MILITARY DISTRIBUTOR DIRECTORY
An updated, one-of-a-kind marketing information resource. 67

WHO'S WHO
ALA'S MILITARY DISTRIBUTOR REPRESENTATIVE INDEX
A supplement to the directory, it's a listing of the military distributors' key personnel. 99

DEPARTMENTS

The Acronym Blizzard 6
What's Breaking . . . 9
Reminiscing . . . 14
The Association 17
Professional Meetings Calendar 18
The Supply Bulletin Index/ Chapter Presidents 112

The Military Pet: Well-Bred and Well-Fed

BY KATHY BOYLE

Today, the number of cats in America surpasses the number of dogs by better than five million. According to the Pet Food Institute (PFI), based in Washington, DC, Americans now own 56.2 million cats, an increase of nearly 38 percent since 1981. During this same period dog ownership grew only about seven percent to 51.6 million. "The cat is the preferred pet of the '80s," says José Vasquez, Jr., commissary management specialist, Air Force Commissary Services (AFCOMS). "And, growing cat food dollar sales reflect the consumer's preference for the cat."

There are a number of reasons for the cat's current popularity. Perhaps chiefly is the fact that cats are a low maintenance pet,

fitting with today's busy lifestyles. Despite the fact that single parent households, two-working parent households, and single households have less time to care for a pet, people continue to want to have a pet. They just prefer a pet that takes less maintenance, and a pet that can stay indoors for long hours, unattended. Also, the cat meets the needs of the apartment dweller who yearns for a pet but does not have the open spaces to exercise a dog.

Dogs, however, retain their top position in the pet food market, primarily because dogs eat more. In the military the dog's share is larger, yet. But marketers have their eyes on cats and other small pets as a growth segment in the pet food business in the future.

Especially for the military family, rocked by transfers from one installation to another every several years, the household pet provides stability for the children. With children and pets going hand-in-hand, and military families having twice the national average of children, the pet food market will remain a significant one in the military.

In addition, the military shopper parallels trends in the general economy, where customers show a tendency to spend more on their pets. The fact that the military customer gets a very attractive price on pet food and pet supplies at the commissary only increases this tendency. The attractive price makes the military customer even more likely to buy slightly more expensive pet food, treats, rawhides, toys, pet shampoos, and scented kitty litters.

Although a wide cross section of these pet products are authorized for sale in commissaries and exchanges, not all products make it to the shelves. Flo Dunn, public affairs officer at the Troop Support Agency (TSA) reports, "We are authorized to sell 319 items in the pet food and supplies category, but typically a commissary sells about 100 of these items based on customer demand."

Dog Market the Largest

In the civilian sector, cat food and dog food sales are running neck-in-neck. In the military, however, dog food continues to be the category leader. According to Military Audits of Market Information, Inc., Washington, DC, dog food sales totalled $53 million compared to $33 million for cat food in the continental U.S. commissaries.

The dog food market is broken into several segments—canned, semi-moist, and dry. In the canned dog food category about four brands do 70 percent of the business. According to John F. Briscoe, Military Sales Manager and Export Sales Manager for Kal Kan, Inc. owned by Mars, Los Angeles, CA, Kal Kan has 44 percent of this market. He notes that although they are the number two competitor in the civilian sector according to Selling Area Marketing Inc. (SAMI), they are now the number one competitor in the military canned dog food category according to Military Audits.

Briscoe believes the reason for Kal Kan's higher position in the military market is partly due to the product's new formulation. "Last year Kal Kan Pedigree changed its recipe to one with no soy. All our competitors' products, however, have soy. Our products are meat-based with no soy and no additives. And, pet food consumers are saying they want the benefits of less soy in the product—politely, this means less flatulence and less loose stools."

In the gourmet canned dog food segment, Carnation's Friskies PetCare Division's new Grand Gourmet dog food, now rolling out nationally, addresses what Vice President/General Manager Al Piergallini sees as one of the most important selling points in pet food today: appearance. "Grand Gourmet is a premium dog food and obviously the palatability is 100 percent guaranteed. But the real key to the product is its appearance." Piergallini said the product has the look of real chunks of beef and a good meaty aroma. It is positioned for medium and large dogs. It is the latest in a series of ultra-gourmet canned pet foods

TOTAL MILITARY—PET FOODS POUND VOLUME GROWTH

September Quarter 1987 vs. September Quarter 1986

Category	September Quarter 1987 (Pounds)	Percent Change vs. September Quarter 1986
Total Pet Food	44,798,500	0.6%
Total Dog Food	32,500,600	0.0%
Dry Dog Food	19,255,600	1.4%
Wet Dog Food	11,281,800	0.0%
Semi Moist Dog Food	1,963,200	−12.0%
Total Cat Food	12,297,900	2.3%
Wet Cat Food	6,514,400	3.9%
Dry Cat Food	4,827,600	3.3%
Semi Moist Cat Food	955,900	−12.0%

Source: Military Audits of Market Information, Inc.

Kathy Boyle is a Washington, DC-based freelance writer. She writes widely on retail grocery and food service subjects, and writes for several well-known national trade organizations.

from Friskies PetCare Division.

Interestingly, says Briscoe, compared to the cat food market, where the cat's preference drives sales, in the dog food market the dog owner's preference drives sales. As for brand preference it is the owner's concept of "my" dog likes this, or this is good for or healthy for "my" dog which creates the sale. Where the cat owner will give in to the finicky preference of the pet, the dog owner – betting he knows what is good for the dog – will often leave the dog food out until the dog eats it.

The usage of canned dog food is slightly higher in the military – 17 percent to 18 percent of sales versus 15 percent in the civilian sector. Concurring, Dunn of TSA observes with respect to TSA activity: "Currently wet dog food leads in percentage of units movement, followed by dry and then semi-moist."

The stronghold of the early pet foods market was in the canned category. Dry pet foods were popular for their qualities of low

cost (about half the price) and convenience (not messy), but they lacked the palatability of canned products. In the 1960s semi-moist dog food entered the market, attracting a large market share. Due to a variety of factors, semi-moist products began to lose favor with consumers just as improved, higher-quality dry dog foods were appearing on the market. Ultimately, dry dog foods regained much of the business it had lost to the semi-moist category.

In the dry dog food category there are many varieties, sizes and small marketing niches, so it takes 10 brands to satisfy 60 percent of the consumers. Typically the dry category is segmented into four different categories. First, there is what is termed the huge category, characterized by large-sized, less expensive products aimed at the health and price conscious consumer. Notes Bill Cook, Navy Commissary Merchandising Specialist at the Navy Resale and Services Support Office (NAVRESSO), "Sales data obtained prior to re-merchandising Navy commissaries have shown that 'dry' pet foods do require additional footage. As a result, in a majority of Navy commissaries where space permits, an area located in the front of the registers is utilized to merchandise large bags of pet food, that is, 25 pounds."

The next category includes more palatable products for consumers who are willing to pay more for tastiness for their pet. "Usually this consumer looks for the pet's

Dogs retain their top position in the pet foods market.

reaction to the food, and may watch them eat," says Briscoe of Kal Kan. "In this category we make Meal Time which is directed at the finicky eater and features two bite sizes." Others that fit into this category are Gravy Train by Quaker, Gravy by Purina, Come 'N Get It by Friskies Pet-Care Division, Butcher's Blend, and Chuck Wagon. "Our crunchy dry dog food, Come'N Get It, blends four flavors into one bag," notes Dick Curd, media affairs director at Carnation.

A third category in dry is the premium category which includes such products as Purina's Kibbles and Bits, Kibbles and Chunks, and Quaker's Moist and Chunky. Finally, there is a super premium category with products that include real meat, like Tender Chops or Tender Chunks by Quaker, and Purina's O.N.E. (Optimum Nutritional Effectiveness), introduced at the beginning of 1987. St. Louis-based Ralston Purina Co. calls the product unique because it is made with real chicken, which provides palatability and digestibility, resulting in more nutrients per pound.

Although Purina has traditionally been known to own the dry dog food business and still commands the leading position, other companies are aggressively going after the dry business. With its origins in Ken-L-Ration canned dog food, the Quaker Oats Company, Chicago, IL has more recently concentrated on new product development for specific market niches, putting a priority on dry dog food. Also, Quaker is a bigger player in the pet food business with its 1986 acquisition of Gaines pet foods, doubling the size of its pet food division. Today Quaker's worldwide pet foods business is nearly $1.2 billion in sales or 22.5 percent of Quaker's total sales.

As a way to keep track of its voluminous sales in dog food, NAVRESSO's Oakland Field Support Office has used its computer to develop its own, more detailed figures on wet, semi-moist, and dry dog food. The new program sorts information by unit movement, dollar movement, pounds, and by brand.

DRY DOG FOOD SHARE OF POUND VOLUME
12 Months Ending September 1987

Annual Volume = 81,494,500 Pounds
Annual Dollars = $29,878,000

Brand	% Share of Units
Ralston Purina	**46.93%**
Dog Chow	14.73
Puppy Chow	10.15
Hi Pro	6.01
Chuck Wagon	5.83
Mainstay	5.34
Kibbles & Chunks	4.87
Quaker	**10.99%**
Kibbles 'N Bits 'N Bits 'N Bits	5.59
Gravy Train	5.40
Carnation	**8.51%**
Come 'N Get It	8.51
Alpo	**4.57%**
Alpo	4.57
All Other	**29.00%**

Source: Military Audits of Information, Inc.

Cat Market Grows

In the cat food business, it is the cat's preference, or finicky nature, not the consumer's, which drives sales. "If the cat does not like the product, the owner will throw it away," says Briscoe.

According to marketers both the canned and dry cat foods markets are exploding. This explosion has meant changes for a number of pet food companies. Alpo Petfoods Inc. now say that rather than being in the dog food business, they are in the pet food business. With nearly no growth in the canine population and inspired by climbing growth in the cat population, Alpo Petfoods Inc., a 51-year old, $400 million-a-year company owned by parent firm Grand Metropolitan PLC of London, has begun testing the cat food markets and expects one day to be a large producer. According to Franklin W. Krum, who was named presi-

dent and chief operating officer of Alpo in July, the company wants cat food eventually to account for 40 percent of its revenues.

And in the Navy, Paul C. Culver, director of the commissary division, Oakland Field Support Office, NAVRESSO, says, "You need to carry a large selection of cat food. You lose customers if you don't carry a lot of brands."

Similarly to the canned dog food category, it takes only four brands of canned cat food to satisfy 70 percent of the consumers in this category. In the military these four brands are 9-Lives, Kal Kan, Friskies Buffet, and Fancy Feast. Typically these brands are sold in four sizes: three-ounce single serving, six-ounce, 13-ounce and 22-ounce.

Cat owners, it seems, often have more than one cat. Therefore, some manufacturers are targeting larger size containers. Says Briscoe, "Thirty-two percent of pet owners have cats, 30 percent of pet owners have dogs, and there is some crossover of owners who have both, but, in the cat owning households there are typically 2.1 cats." For this reason Kal Kan is offering a larger size in its Kal Kan line. "We are the only company which makes the 22-ounce size. And, with 27 percent of cat owners owning five or more cats, it makes sense to sell a larger size."

In the dry cat food segment it takes six or seven brands to satisfy 70 percent of the market. The semi-moist cat food segment has been declining for the past five years. In this category it only takes four brands to satisfy 90 percent of the customers base. At TSA, however, semi-moist cat food leads in percentage units movement.

"If the cat does not like the product, the owner will throw it away."

Upscale Cat Foods

Cat owners are quite willing to spare little expense for their pets, and manufacturers are quickly stepping in with new, super premium products to satisfy this niche. Amore, by 9-Lives, was introduced nationally in November 1985, as a single-serving gourmet line. In the wet cat food category Amore has 2.5 percent of the military market according to Tammy Russo, spokesperson for Star-Kist. "This is a new marketplace and growing rapidly," she adds.

This January Kal Kan will introduce a line called Sheba. "It will be the finest pet food available on the shelf," says Briscoe. And, it will sell for a significant premium—selling from .59 cents to .65 cents in the retail civilian market compared to .33 cents today for a can of Kal Kan in the civilian retail market. "It will come in a foil aluminum tray, similarly wrapped as super-deluxe deli products, such as gourmet paté and gourmet cheese," explains Briscoe. Sheba will have four varieties: liver, beef, turkey and salmon.

"There are a number of consumers out there who feed their cats human food and table scraps," continues Briscoe. "They will go out, buy a chicken, prepare it, and feed it to the cat. We feel we will relieve this owner of the burden of preparing the cat's food. We see this as a business opportunity. We think Sheba will expand total pet food sales—literally increase total tonnage—and expand the pet food category. This product leapfrogs ahead with a unique product in a unique package."

According to Vasquez of AFCOMS, the super premium gourmet brands in dollar sales are up 15 percent versus the previous year. He attributes the increased sales to customer preference for better quality ingredients; the fact that people want to buy the best product money can buy for their pets; a perception that these super premium products are the best products; and, finally an attitude by customers that they are identified by the products they purchase for their pets.

WET DOG FOOD BRAND SHARE TRENDS

Current 2 Months Ending September 1987

(In %)	Kal Kan	Alpo	Cycle	Mighty Dog	Ken-L-Ration	All other
OCT	28.36	36.97	11.68	7.90	6.28	8.81
NOV	28.53	35.22	11.58	8.01	7.71	8.95
DEC	33.89	31.87	10.35	7.50	7.77	8.62
JAN	33.84	33.61	9.87	7.49	6.58	8.61
FEB	31.48	35.32	10.13	7.82	7.27	7.98
MAR	31.16	33.60	10.77	7.53	7.98	8.96
APR	33.18	30.21	10.16	7.60	9.41	9.44
MAY	38.83	27.96	8.85	7.43	8.00	8.93
JUN	39.85	27.25	9.71	7.72	6.39	9.08
JUL	38.93	26.78	9.36	7.74	6.56	10.63
AUG	44.49	24.11	7.92	7.43	5.69	10.36
SEPT	41.60	26.52	8.56	7.94	5.06	89.68

Source: Military Audits of Market Information, Inc.

"Although many stores in the commercial sector show growth in the gourmet pet food category," says Cook of NAVRESSO, "Navy commissaries have not shown much since product lines are limited at this time."

Pet Snacks

Pet snacks is a growing category, with 10 to 15 percent growth a year. According to some marketers, however, it is a tempest in a teapot. They note that even if pet snack sales doubled, they would remain in the number five position in the pet food category. Most of the pet snacks are for dogs, with only about four percent of pet snack sales going to cat snacks. Sixty percent of the dollar sales in snacks are for biscuits like Milk Bones, Butcher Bones, and Meaty Bones. The other 40 percent of the dollars are in treats, jerky and Quaker's new products Snausages and Pupperonis.

Currently, the dog snack market is the fastest growing segment in the Air Force commissaries, outpacing all pet food in 1987, according to Vasquez. In the Army, dog and cat treats have had moderate growth in fiscal 1987, says Dunn of TSA.

Pet Supplies

Authorized for sale and added to military commissaries in September 1986, pet supplies, an approximately $400 million a year business in the civilian sector, are a relatively new business in military commissaries. "Usually pet supplies is a four to eight foot section, stocking 25 to 50 items," says Vasquez of AFCOMS. "So far, sales are steady." And, Cook notes as well that in Navy commissaries pet accessories are new to the system and are limited in number.

In the exchanges, however, pet supplies are an old standard. In fact, AAFES does almost four times as much sales in pet accessories than in pet food–$14.5 million."While it is ideal to sell pet food and pet supplies in a single area, the main store usually does not have enough space, so pet food is mainly sold in our shopettes," explains Don McClain, supplies and accessories buyer, AAFES. Pet supplies usually get 40 linear feet of gondola display in Army and Air Force exchanges, according to McClain. "These are high profit items, and where managers have moved pet supplies to a higher traffic position, sales have improved. These items have a great impulse appeal. We have had steady growth in the last couple of years," says McClain.

In Navy exchanges, accessory items currently popular with their customers include gravy dipped rawhides, nylon collars, leads and leashes and boxed treats, according to Jerry Greene, merchandise buyer, NAVRESSO.

In general, the pet supplies category is seasonal. Flea and tick remedies do well in the summer, and gift type items–toys, rawhides, and treats–do well at the holidays as pet gifts. Hartz Mountain is excited about its new product, a beef glazed rawhide, introduced in September 1987. It is a gourmet addition to dog rawhides. It is designed to look more exciting to people and taste better to dogs. Hartz Mountain believes this product will do quite well in holiday sales.

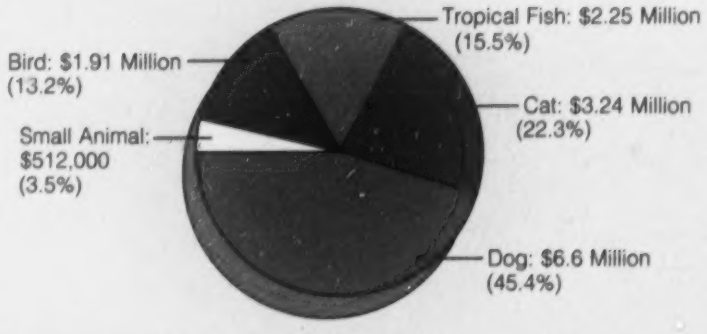
WET CAT FOOD
PREMIUM VS MAINTENANCE BRANDS

Period Ending September 1987

Brands	% Share of Pounds: Current 3 Months	% Share of Pounds: 3 Months Year Ago
Super Premium Total	**12.64**	**11.94**
Fancy Feast	10.27	10.20
Amore	2.37	1.74
Premium Total	**83.92**	**84.33**
Kal Kan	31.91	28.88
Friskies Buffet	24.24	22.50
9 Lives	17.73	20.81
Purina 100	9.72	10.01
Figaro	0.18	0.30
Bright Eyes	0.14	1.83
Maintenance Total	**3.44**	**3.73**
Puss 'N Boots	1.80	1.82
Generic (Quaker)	0.50	0.68
Kozy Kitten	0.49	0.34
Main Dish	0.30	0.42
Blue Mountain	0.20	0.30
Kitty Queen	0.09	0.10
Sweet Life	0.06	0.07

Source: Military Audits of Market Information, Inc.

PET SUPPLIES $14.5 MILLION



Source: Army & Air Force Exchange Service/PA-I

There are a number of marketers who feel the pet supplies category has far too many items for the dollar volume it generates. In supermarkets, of course, the profit on these items is from 50 to 100 percent, compared to 20 percent on pet food.

Cat Litter Market

Along with the growth of the cat population, there has been steady growth in condo ownership, a surge in single parent households, and increased two-wage earning households. What this means is that today there are more indoor cats. Accordingly, there is a continuing upswing in cat litter usage, making the cat litter category a $320 million a year business. Although litter is primarily clay, there have been some interesting new products introduced in recent years. Although it has been around for 16 years, Clorox Corporation's Litter Green is an alfalfa based litter product, and according to Sandy Sullivan, manager of consumer information for Clorox, "Litter Green has twice as much absorbency as clay litter." More recently, in 1984, Clorox developed a new cat litter product, called Fresh Steps, which releases a fragrance. "This litter," observes Sullivan, "contains capsules which release a fragrance when the cat scratches, steps on, or wets the litter."

Shopettes Provide Convenience

Pet food is sold through Navy convenience stores and AAFES shopettes. Pet food sales at AAFES shopettes reached $3.5 million from January through September 1987, says Ron Alleva, pet food contracting officer for AAFES. In late 1986 pet food sections were revised and upgraded in the shopettes, and store level personnel were given guidance on how to set-up the section and when to purchase pet food to maximize profits. In the cat food category for this same period, sales were $1.3 million. In Navy convenience stores, basic canned wet food is getting somewhat more space than it did several years ago, according to Greene.

In-store location of the pet food varies at AAFES shopettes, but usually it is in the center aisle, along with pet supplies. The category is designed to provide the customer convenience and one-stop shopping. Cat and dog food are therefore grouped separately, alongside each other, with the bagged item on the bottom.

Last year the gourmet brand sales of cat food in AAFES increased three percent. Alleva feels that this smaller increase is due to higher prices on the gourmet products. The shopette or convenience store customer's acceptance of gourmet brands is limited, feel both Alleva and Greene. "Although there is a growth trend in gourmet pet foods that is impacting the industry, the effect is minimal in the convenience food stores where tried and true basics are still the important volume producers," notes Greene.

At the AAFES shopette the most popular sizes are 14-ounce wet dog food, six-ounce wet cat food, and the five-pound bag of dry, cat or dog food.

A Changing Market

Pet food will remain a changing category in the near future. Although dog food sales remain strong in the military, the growing preference of Americans for the cat should eventually impact pet food sales in the commissary, leading to gains in the cat food category. And, with marketers scrambling to get a share of the free-spending cat market, there should be continued new product introductions in the upscale segment. ■

Politics—As Catty as Ever

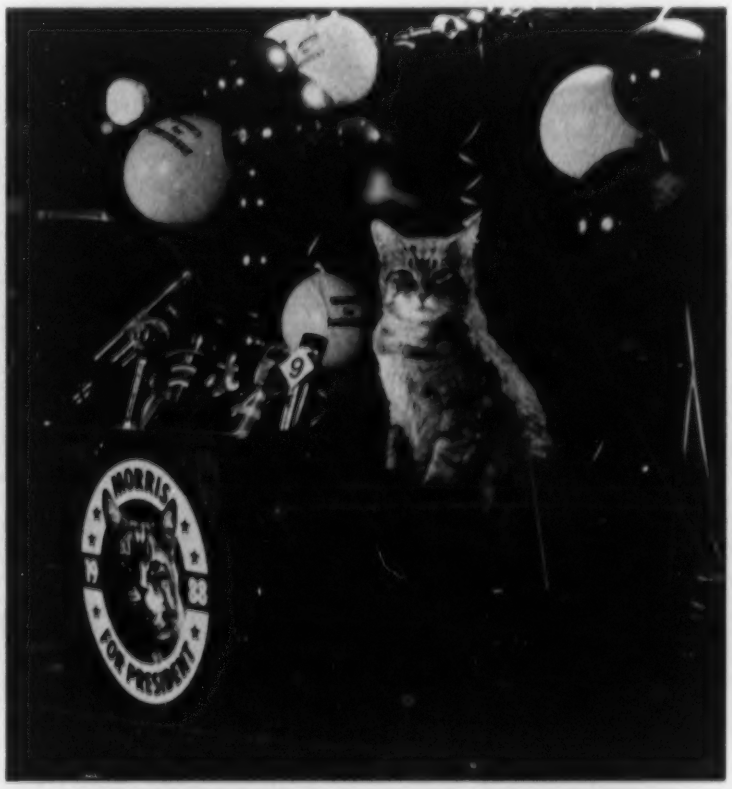
Morris the 9-Lives Cat for President? Yes, it's true. Morris announced his candidacy for President of the United States at a news conference at the National Press Club in August 1987.

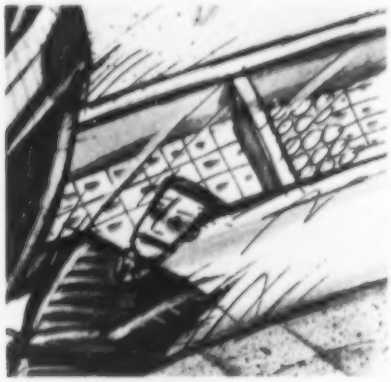
And, already he enjoys a significant lead over other presidential hopefuls. In a recent poll by Opinion Research Corporation, Morris was recognized by more than 70 percent of the public, ahead of Bob Dole (67%), Jack Kemp (59%), Richard Gephardt (53%), Michael Dukakis (41%), Paul Laxalt (40%) and Bruce Babbitt (33%).

Morris, who promises to "walk softly and carry a big can opener," will be supported in his quest for the presidency by a nationwide 9-Lives television advertising campaign.

"The time has come for a finicky President," trumpet Morris' campaign commercials, "one that serves the silent (and furry) majority." The candidate's platform calls for 9-Lives in every bowl and a satisfied cat in every kitchen.

Morris is ready, willing and able to take on the burden and responsibilities of office. "The bowl stops here," he declared. ■





Profits Grow As Dairy Cases Overflow

BY SANDY EVANS

The next time you shop for groceries, take a long look at the dairy case. If it is representative of its counterparts across the country, and if you have merely whizzed by it in the past, you will be surprised by the number and variety of products offered for sale from its chilly interior.

Knowledgeable consumers, looking for convenience and health, are responding to an ever-growing list of fresh items requiring refrigeration. This has spurred manufacturers to develop new products and refine old ones, and has forced retailers and military store managers to expand their definition of what fits in the dairy case.

As the need for refrigeration of non-dairy items has increased, the dairy department has become the catchall area in supermarkets and grocery stores. Nowadays the "dairy case" not only contains traditional milk and cheese products, it also offers non-dairy and "deli" items, such as juices and fruit beverages, Mexican foods, pastas and salads.

In 1985, according to *Supermarket Business'* 40th Annual Consumer Expen-

Sandy Evans is a Washington, DC-based freelance writer. She has written widely about marketing, retailing, and business subjects for several leading trade and consumer publications.

ditures Study (CES), total dairy sales were $35.7 billion; in 1986 they were $36.7 billion, an increase of 2.7 percent. Four years of unprecedented growth in dairy sales has increased refrigerator case space allocations for new stores in both the civilian and military sectors, while existing stores have made room for dairy case items by decreasing shelf space for canned and boxed goods. Sal Baldomar, Commissary Specialist for the Marine Corps' West Coast Commissary Complex, notes that it is not unusual to find ten feet more refrigerator space planned for new commissaries today than in the past. The number of line items available for refrigerator cases is expanding rapidly, reports Baldomar, and sales are keeping pace with their proliferation.

More of a Good Thing

While milk and eggs still hold leading positions in dairy case sales, CES figures show that the fastest growing dairy product areas in 1986 were yogurt (up 6.1 percent to $1.97 billion), and cheese (up 3.2 percent to $4.2 billion). Ready-to-drink juices and fruit beverages are also fast moving items in the refrigerator case, showing a 6.9 percent increase in sales to $1.9 billion, according to CES figures. These trends mirror the experience in military facilities, where yogurt and cheese account for the biggest growth in sales, and chilled juices and fruit drinks are up-and-coming products.

The dairy industry, in an effort to increase the demand already demonstrated by consumers, has developed new tastes and styles of items already in public favor. Sgt. Steven Smith, Commissary Specialist for the Air Force Commissary Service, remembers when the only flavored yogurt was vanilla. Now yogurt is being manufactured in ever-increasing numbers of new flavors and flavor combinations, and the line is being extended by creating different types of yogurt for different situations—breakfast yogurt, dessert yogurt, and snack yogurt.

Military stores "having adequate dairy displays are showing an overall growth in just about every dairy product," notes Alan Jones, Operations Officer for the Marine Corps' East Coast Commissary Complex. One Marine Corps commissary recently added a ten-foot case for yogurt, which is not surprising when you realize that at least 65 line items of yogurt are available to it.

Ready-to-drink fruit beverages have also claimed their share of space in refrigerator cases, as consumers have turned toward the ease and convenience of opening a container and pouring. Ready-to-drink beverages include orange juice, orange-pineapple juice, fruit punch and lemonade. At the beginning of this year, Tropicana introduced its new Homestyle Orange Juice, containing fresh-tasting, pulpy bits of orange. According to June Tesdall,

Hand Over Your Dough

What could be more satisfying than warm bread and rolls fresh from the oven, and what could be more difficult to accomplish in today's busy world?

For many years Pillsbury Company has catered to the desire for homebaked goodies with its line of fresh dough products in the dairy case. Popularized by the Pillsbury Dough Boy, these items have been a long-standing staple in many homes.

Now, Pillsbury has introduced several new items to join its buttermilk biscuits, sweet rolls, and slice-and-bake cookie chubs. The new products—All Ready Pizza Crust, Soft Breadsticks, Crunchy French Loaf, and Pastry Pockets—are all available and selling well in the dairy cases in military commissaries. Pastry Pockets, Pillsbury's version of Middle Eastern pita bread, is the newest of the newcomers, having been distributed only within the last few months.

Other refrigerated products getting prominent display in military commissaries are Mexican foods—tortillas and the salsas that go with them. These are often supplied by local and regional manufacturers, such as the west coast's Mission brand, with whom individual commissaries contract for their supplies of Mexican food.

Olé! Will someone please pass the cheese? ■

USAGE OF SUPERMARKET PRODUCTS

Dairy Department	% Using Or Buying	Base Group	Exclusive One-Brand Users (%)
Milk (liquid in bottles & cartons)	84.6	H	—
Eggs	84.6	H	—
Margarine	78.5	H	47.6
American pasteurized, processed cheese	71.7	H	56.5
Whipped topping (cream type)	60.8	H	51.9
Cream cheese	60.8	H	—
Cottage cheese	60.6	H	—
Grated cheese	58.8	H	—
Butter	58.0	H	—
Natural Cheese (other than American)	54.3	H	—
Blends (butter/margarine)	46.0	H	73.5
Yogurt (not bought frozen)	32.6	A	37.3
Spread cheese	24.0	H	—
Low-fat, low-calorie, low-cholesterol cheese	18.2	H	64.9
Milk shakes/milk shake mixes	14.5	H	59.0
Yogurt drinks	4.3	A	79.3

H = female homemakers shopping for families
A = adults

Source: *Progressive Grocer*, September 1987

Tropicana's Consumer Relations Manager, the Homestyle product has been very successful. Indeed, notes Tesdall, ready-to-serve orange juices in general have been so successful that, for the first time this year, sales of ready-to-drink have surpassed frozen concentrate.

Cheese It

"Without a doubt, our top seller in the dairy case is cheese," states Maureen Murray, Public Affairs Specialist, Navy Resale and Services Support Office (NAVRESSO). "Milk and egg sales are strong, but cheese is our best move."

Industry analysts think the enormous growth in cheese sales is due to several factors: the increased popularity of American cheeses such as colby, cheddar and jack; extensive advertising of cheese and cheese products; and the growth in grocery sales of pizza products.

But some industry people are still surprised by the numbers. "We continue to see growth in cheese sales," reports Flare Fredricksen, Military Sales Manager for Land O'Lakes, Inc., "and it astounds all of us." This has encouraged Land O'Lakes to do some aggressive merchandising of cheese within the military commissary system, offering taste demonstrations and displays that suggest new ideas about how to use cheese with different kinds of meats and produce.

Fredricksen believes that military consumers, having been stationed abroad, are good customers for specialty cheeses. This is confirmed by the Marine Corps' Jones,

The "blended" butter products have shown big gains over the past year.

who notes that the variety of cheeses in the East Coast Commissary Complex has increased to include domestic, imported and a complete line of gourmet cheese. In the stores covered by the Marine Corps' West Coast Commissary Complex, the trend is toward natural and lite cheeses, and the fastest growth in sales is for mozzarella and Armenian string cheese.

Even so, processed and cheddar cheese are still basic to Land O'Lakes' sales picture. A year ago it began marketing ready-shredded cheese, as a convenience for cooking and a topping for pizza. Land O'Lakes also offers larger cheese packages through military commissaries. "The military consumer will purchase a larger size package of cheese," Fredricksen reports, "so we established larger size packages," including 3-pound packages of individually-wrapped processed cheese slices and 24-ounce packages of natural cheese.

Sam Phelps, Kraft, Inc.'s Vice President of Military Sales, says that Philadelphia Brand Cream Cheese is the largest selling cheese item in the dairy case in military commissaries. Phelps reports that Kraft will be maintaining consumer interest by diversifying its line into a lite Philadelphia Cream Cheese (20 percent fewer calories; 25 percent less fat), a spoonable soft cup cream cheese, and a fluffy whipped cream cheese. Kraft has already developed lite cheddar and colby cheeses, containing one-third less fat, and is working on still other lite varieties.

Additional new product developments at Kraft include its Velveeta Cheese packaged in extra-thick slices, mild and hot Mexican cheeses, and old reliable Cheese Whiz, which is now being marketed as microwavable in its store-bought container for use on nachos. But Kraft's Barbara J. Wermert reports a decline in sales of cottage cheese, a trend confirmed by the Marine Corps' Baldomar, who suggests that consumers want something healthful with more flavor. Baldomar believes that today's children, who have become accustomed to fruit-flavored yogurt, account in large measure for the seven percent decline in cottage cheese sales at the eight commissaries in the west coast complex.

As in other categories, the more health-oriented the product, the stronger the sales. "Per capita consumption is strong for all cheese items, but especially strong in our cholesterol-free products," notes Andy Kehoe, Director of Military Sales, Cooper/American Heritage. The Savannah-based private label supplier adds that these products are steadily gaining new buyers.

NAVRESSO's Murray supports that trend. "We're seeing an increase in sales in low-fat products in all categories, including cheese," she explains. "People's buying habits are definitely reflecting today's concern about nutrition."

A Little Culture

More than 100 different brands of yogurt are currently on the market, with the

DAIRY PRODUCTS IN THE CIVILIAN MARKET

	Amount Spent in Supermarkets	% of Total Supermarket
Dairy	13,600,932	6.38
Cheese	3,273,500	1.53
Cottage Cheese	369,078	0.17
Natural Cheese	1,428,632	0.67
Processed Cheese	1,475,790	0.69
Eggs	1,052,322	0.49
Milk and Milk Products	5,011,217	2.35
Butter	701,368	0.33
Fresh Cream	175,444	0.08
Fresh Milk	4,085,381	1.92
Refrigerated Toppings	49,024	0.02
Yogurt	1,199,270	0.56
Margarine	1,102,369	0.52

Source: *Supermarket Business*, September 1987

number expected to grow in the foreseeable future. Even more amazing is the wide variety of flavors and styles within each brand, raising to a staggering sum the number of yogurt items available for sale.

Kraft, Inc., which offers Breyers and Lite 'N Lively brand yogurts, foresees a steady growth in sales of yogurt to military facilities. This is confirmed by the Marine Corps' Baldomar, who reports a 15–18 percent increase in yogurt sales.

Dannon Yogurt's Barbara Beck notes that the company has increased its 1987 advertising budget significantly over 1986, a move intended to reach the nearly 60 percent of Americans who are not frequent yogurt consumers.

Dannon promotes yogurt as food for many situations: as a snack food through its mini-packs, and as a low-calorie nutritional food through its Fresh Flavors brands. Fresh Flavors, made with fruit juice instead of fruit and sugar, has 25 percent less sugar, 40 fewer calories per 8-ounce serving, and 10 percent more of the U.S. recommended daily allowance of calcium because the lack of fruit allows for the addition of more milk. In 1986, Dannon also introduced Dan 'Up, a yogurt drink similar to those popular in Europe and South America. Dan 'Up is currently available in six test market areas: Washington, DC/Baltimore; New York; Philadelphia; Detroit; Chicago and Los Angeles. Beck says that sales of Dan 'Up have been about what the company expected, but that plans for further expansion of its distribution have not yet been made.

To Your Health

Establishing good nutritional patterns and physical fitness are themes mentioned over and over again as explanations for the upward trends in dairy case products. Extolling nutritional value is an effective marketing tool, whether from added calcium in Breyer's yogurt cups or the five percent milk advertised by Kraft as part of its processed cheese. There is no question that consumers are very conscientious about health issues these days, which is no doubt why sales of skim and 2-percent-fat-milk are up nearly 20 percent in the Marine Corps' West Coast Commissary Complex.

According to Bill Baar, Vice President of Sales and Marketing for Borden, Inc., the public's trend toward good health has put the dairy industry ahead. For example, he points out that whole milk sales have been declining for a decade, and low fat milk sales have been rising at a slightly higher rate.

But fitness-conscious consumers seem simultaneously to want natural, low-fat, and convenient foods without sacrificing flavor. Thus yogurt, which requires no preparation, is a popular food for breakfast, lunch or snacks. High in calcium and offered in low-fat and low-sugar varieties, all you have to do is remove the lid and eat the nutritious contents. Indeed many yogurt manufacturers, Kraft among them, notes its Barbara Wermert, are always experimenting with adding nutritional value.

However, the unwillingness of consumers to sacrifice flavor in achieving good health has shifted the emphasis in the long-standing margarine-versus-butter controversy, and has spawned blended products such as Land O'Lakes' Country Blend. This 60 percent corn oil and 40 percent butter product is intended for cooking, and is available in several flavors in the dairy case. According to Land O'Lakes' Flare Fredricksen, the blended products, as well as unsalted and whipped butter products, have shown big gains over the past year.

MARGARINE

Users	78.5%
Heavy Users*	27.1%
Heavy Users' Share of Consumption	62.9%

	% Heavy users Above the Norm
Geography	
East Central	+25
West Central	+18
Type of Area	
Non Metro	+22
Age Group	
35-44	+17
45-55	+14
Employment	
Part-Time	+11

Source: SMRB 1986 (Simmons Market Research Bureau)
Base Group: Female Homemakers
*Used 1 or more pounds in the last seven days

Today's bulging refrigerated dairy case offers an extensive line of fresh foods, both dairy and non-dairy. Consumers seem to be willing to try anything the manufacturers offer, providing the product is nutritious, easy to use, calorie-conscious and tasty. This laundry list of requirements might seem difficult to accomplish, except that the manufacturers seem to be meeting the demand admirably. It is hard to imagine how the yogurt/cheese/juice drink markets can be further expanded, but based on their past track record it seems certain that the manufacturers will find a way, and consumers will find a way to enjoy. ■

New Standards for Dairy

The Dairy-Deli Association, in its special trends analysis on dairy, notes that the consumer focus on health and nutrition is causing people to take a longer and harder look at a food product's ingredients. By the end of the 1980s, they suggest, "consumer product labeling and ingredient statements will be twice the requirements of the early 80s for many dairy products."

Donald Plum, Consumer Safety Officer with the U.S. Food and Drug Administration, says that early FDA standards did not require a list of all ingredients on a product's label. But in the last ten years, ingredient labeling requirements have grown more and more specific, a trend that Plum sees continuing into the future.

For example, a product using vegetable oil might bear a label indicating that the product contains one or more of several listed vegetable oils. But increasing consumer concern about cholesterol and food sensitivities have caused the FDA to require that the oil be named specifically when it is a predominant ingredient in the product.

The FDA also regulated the ingredients a food must contain in order to be called by a commonly-accepted name and, beginning in the 1940s and 1950s, many formulas were written into the regulations to standardize food products. For example, the minimum and maximum amounts of fat in a product may determine whether it is called whipped cream or whipped topping. Products that are new and therefore not standardized must meet general manufacturing requirements for foods of its type.

New packaging materials also need FDA approval. Food additive procedures determine whether packaging components will harm food products, and still other criteria determine whether the package is appropriate for the food it purports to protect. Plum cites aseptic milk as an example, because its hermetically sealed package must keep the milk from becoming a medium for bacteria as it maintains a long shelf life at room temperature.

Plum thinks the FDA will be even busier in the years ahead. It is hard to disagree with his projection as consumers become better educated about the food they eat, and manufacturers strive to fill the dairy cases with new products to meet consumer demand.

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SPRING 1988

Merger Mania May Mean More Marketing Money

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- The Mature Market
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VOLUME 8, NUMBER 2 SPRING 1988

EDITORIAL
ALA VIEWPOINT
BY A. KOLBET SCHRICHTE 5

BUSINESS CONSOLIDATIONS
MERGER MANIA MAY MEAN MORE MARKETING MONEY
BY SANDY EVANS
A look at how the military resale market is affected by these corporate mergers and acquisitions. 24

EYE CARE UPDATE
THE EYES HAVE IT!
BY KATHY BOYLE
Insights into the eye care marketplace, from introduction of vision centers to contact lens care and sunglasses. 34

THE MATURE MARKET
KEEPING RETIREES COMING TO THE BASES
BY JILL WECHSLER
An overview of what brings the retired military patron back to the commissary and exchange. 42

MICROWAVE TRENDS
MACRO-CONVENIENCE IN MICRO-TIME
BY LAURA J. KREGEL
Foods now cooked in seconds are zooming to the front in the convenience market. 54

FACTS & FIGURES
SPECIAL REPORT
ALA'S 7TH ANNUAL COMMISSARY SALES REPORT
BY JULIE BAILES LEGG
Here's your annual desk-top reference guide to worldwide commissary sales in fiscal year 1987. Use this special report to map your commissary business strategy for the rest of FY88 and beyond. 65

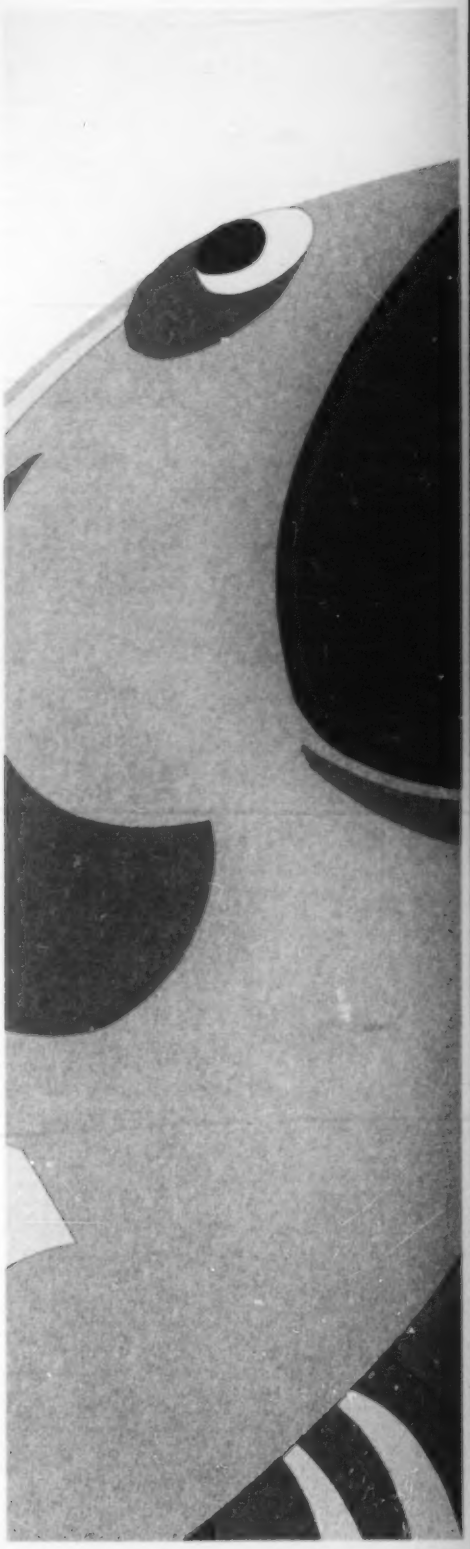
DEPARTMENTS

Reminiscing . . . 6
The Acronym Blizzard 11
What's Breaking . . . 12
The Association 19
Professional Meetings Calendar 21
The Supply Bulletin Index/ Chapter Presidents 128

BUSINESS CONSOLIDATIONS

Merger Mania May Mean More Marketing Money

BY SANDY EVANS



How do you meet today's changing consumer needs? Some food manufacturers are finding that the fastest way to meet these changing needs is to buy a company that's already there.

Microwave pizza's hot? Great—buy a microwave pizza producer . . . or a fresh pasta manufacturer, or a gourmet ice cream company, or a gourmet frozen entree entrepreneur . . . and spend the money you save from research & development in marketing and promotion.

This tactic is working for many military commissary suppliers—with some positive fallout for store managers. "Whenever a merger or acquisition takes place, normally there is a significant increase in promotional dollars and activity," notes Mike Hawkins, deputy director of public affairs, Air Force Commissary Service. "This is because, as is easy to understand, any company that invests in an acquisition or merger does so to increase volume and profit."

"That means they are going after greater market share," Hawkins explains. "They do that through increasing exposure— and that comes through additional advertising and promotion. Normally this advertising and promotion effort is extensive, because the new corporate people want to create a new image, or want to reposition a company or product in the marketplace. We try to take advantage of these opportunities."

Hawkins cites several examples where acquisitions and mergers resulted in substantially more marketing dollars for the military commissaries, such as Quaker Oat's takeover of Gatorade through its purchase of Stokely-Van Camp, Beatrice's campaign to increase name brand recognition, Ragu spaghetti sauce's success after it became part of

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Sandy Evans is a Washington, DC-based freelance writer. She has written widely about marketing, retailing, and business subjects for several leading trade and consumer publications.

"It's a pretty basic business . . . the consumer really doesn't care who is the provider."

Chesebrough-Pond's, and Nabisco's takeover of Standard Brands and Welch candy—both of which now bear the Nabisco logo.

These examples largely represent acquisitions where smaller companies with solid, regional brands were purchased by national firms with deep pockets. Substantial marketing support was used—successfully—to launch these regional brands nationwide.

No Time to Create It? Buy It!

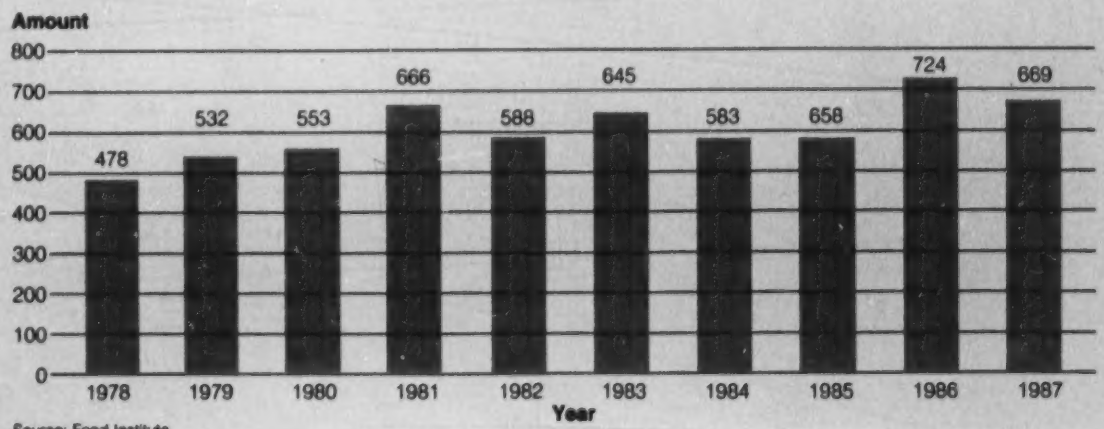
A driving force behind the move to mergers and acquisitions—where activity has been lively since 1984 and shows little sign of tapering off—is the sophistication of today's consumer. "You have to be more sophisticated in your marketing," says Larry Craybas, director of military sales, General Foods. "Consumers have more discretionary income, but they are much more discriminating in their tastes. These tastes change quickly—and if you don't have the products, someone else will."

Purchased in 1985 by Philip Morris for $5.7 billion—the biggest non-oil deal to date—General Foods has benefited from this move. "The acquisition has given us financial backing and marketing support to bring many new items to the marketplace faster," elaborates Craybas. "A smaller company has to be more sure of a new item . . . we have a little more flexibility, and can take more risk. Now we are part of the largest manufacturer of packaged goods in the U.S.—that gives us substantial economic support."

Craybas points out that consolidation in the food industry is occurring on the consumer retail level as well as with suppliers—and for good reason. "Grocery sales are flat," states Craybas. "People are eating at home less, making less from scratch; so there are few ways to grow and profit in today's market."

Consolidation is taking place hand-in-hand with our changing lifestyles and the demand for more specific, market-oriented products such as the growth of ready-to-eat offerings, nutrition and health-conscious products. Within each category, consumers have special demands. For example, seniors

Total Number of Food Mergers & Acquisitions



Source: Food Institute

SALES OF U.S. FOOD MANUFACTURING BUSINESSES THAT ARE 10% OR MORE FOREIGN-HELD

1983 = $16.6 billion
Europe = $12.1 bil.
Canada = $2.2 bil.
Japan = $0.6 bil.
U.K. = $7.7 bil.
France = $0.8 bil.
Germany = $0.2 bil.
Netherlands = $0.5 bil.
Switzerland = protected
Asia/Africa = $0.4 bil.
Others = $1.3 bil.

1984 = $18.3 billion
Europe = $13.9 bil.
Canada = $2.4 bil.
Japan = $0.6 bil.
U.K. = $9.0 bil.
France = $1.0 bil.
Germany = $0.2 bil.
Netherlands = $0.5 bil.
Switzerland = protected
Asia/Africa = $0.4 bil.
Others = $1.0 bil.

1985 = $19.7 billion
Europe = $15.3 bil.
Canada = $2.3 bil.
Japan = $0.7 bil.
U.K. = $7.2 bil.
France = $0.9 bil.
Germany = $0.1 bil.
Netherlands = $0.7 bil.
Switzerland = protected
Asia/Africa = $0.6 bil.
Others = $0.8 bil.

are concerned about low-sodium products as well as single packaging; singles want single packaging and gourmet taste; working women want an easy-to-prepare complete nutritional dinner for their families. All of these trends impact the national market.

"One way to deal with this changing marketplace on the retailer level," offers Craybas, "is to buy your competitor, increasing your number of stores and thus your market share.

"With the manufacturers, it's the same scenario. Growth is driven by the consumer. A manufacturer might be in a flat category, or selling products the consumer is no longer buying. There are two ways to grow: develop a new product and bring it to market yourself—which is very costly—or buy a smaller company that is providing the product customers want."

A good example of this solution is General Foods' recent acquisition of Ronzoni Pasta. General Foods saw the consumer trend toward quality pasta, and bought a quality company offering that product. Thanks to the financial backing of General Foods, the popular ethnic Italian line will be enhanced, with additions such as fresh pasta, fresh sauces and gourmet frozen Italian dinners.

The same motivations inspired General Foods' past acquisition of Entenmann's and, more recently, Friehofer's. Both of these regional firms offer quality baked goods, and had built a loyal following within their spheres of influence. With General Foods' substantial marketing expertise, financial backing and efficient delivery program, expectations are that these firms will grow in popularity and sales as nationwide products. Entenmann's is already well along that growth path. Combined, these firms provide a solid entry into the higher priced quality bakery goods category for General Foods.

Prices Are High

Entry into these new markets is not cheap. According to *Business Week* magazine, in addition to the top price of $5.7 billion paid by Philip Morris for General Foods, Beatrice Companies paid $2.7 billion for Esmark (Wesson Oil, Playtex), R.J. Reynolds spent $4.9 billion for Nabisco Brands, and Nestle paid $3 billion for Carnation.

Of course, acquisitions themselves are not new to the food industry. Procter & Gamble has a history of buying small companies as well as using its own research department to develop new lines. Many of the industry's largest companies, such as Beatrice and Sara Lee, were built through a series of acquisitions. But today's deals seem different—prices are higher, and reasons for purchases seem to be more driven; either to access a new market and provide a "hot" new product, or to purchase a well-known brand name

"We want to help commissaries compete effectively in the general marketplace, and keep in step with today's consumer needs."

that will grant immediate consumer recognition.

More Bang for the Marketing Buck

This aspect drives many of the recent brand-name mergers. Advertising costs alone might make the merger worthwhile: according to a West Coast food industry consultant, ten years ago, $5–$20 million could establish a brand. Today the annual investment is closer to $50–$100 million.

Only about 3 of every 10 new products achieve even minimal success; a dramatically few become household names. So buying a well-known brand already minimizes the risks and expense of establishing name-brand recognition, providing a shortcut to above-average profitability.

Booz, Allen & Hamilton, Inc., a major consulting firm in New York, a few years ago compiled a list of the leading consumer brands in 1923 and looked at their position in 1983. According to this report: of 24 brands, 19 are still the leaders in their category, and the others placed in the top five. Obviously, leadership is sustainable . . . and arguably worth top dollar.

In addition, strong brand names can increase a manufacturer's marketing clout. Recent mergers in the food industry have created three of the nation's leading advertisers. According to *Advertising Age* magazine, P&G/Vicks spent a total of $1.04 billion on advertising in 1984; Philip Morris/General Foods spent $1.02 billion, and R.J. Reynolds/Nabisco spent $1.01 billion. The nearest competitor—General Motors—spent less than $750 million.

A local media-buying representative notes that the more dollars you negotiate with, the greater the discounts. In addition to cost savings, the largest advertisers get first shot at the most sought-after time slots on TV. Not to mention the clout strong brands have in the battle for shelf space at the commissary.

Top 10 Mergers & Acquisitions of 1987

1. Borden (17)
2. ConAgra (9)
3. Coca Cola (9)
4. H. J. Heinz (6)
5. CPC International (5)
6. IC Industries (5)
7. International Multi Foods (5)
8. Kraft (5)
9. Pepsi-Co (5)
10. Philip-Morris (5)

Source: Food Institute

Make Pizza, Not War

Fred Eddowes, director, special markets, Pillsbury Company, offers insight into this benefit of consolidation: more control of your market niche. He offers Pillsbury's activity in frozen pizza as an example.

Pillsbury bought Totino's pizza in 1973 to enter the pizza business, taking this Minneapolis-based regional brand national in 1975. By 1979 it had achieved a leading SAMI-share position. Two years ago, Pillsbury bought Jeno's. Its motivation was, in essence, to try to clean up the pizza freezer.

"We felt the frozen pizza business had become dominated by low-end products—'belly-fillers,' if you will," explains Eddowes. "Everyone was trying to get low-priced items in. There was a lot of redundancy, and no room for some of the more specialized products—better quality products offering a better profit margin. Our purchase of Jeno's allowed us to trim the line and address different consumer needs and desires."

"There used to be at least 30 items in military commissaries between the two brands, not including flavor variations. Now we have it down to about 12 items, with two to six flavor variations on some products. We feel the line now represents what's really right for the department. This trimming is good for us as well as for the military, and has allowed us to increase alternatives—such as microwave pizza, french bread pizza both for conventional ovens and for microwave ovens, etc."

Though there is now less competition for Pillsbury in the frozen pizza freezer, Eddowes comments that promotion in this area has not slowed down. "For all intents and purposes," he notes, "at any given point in time there is a pizza with a promotional program available."

Pillsbury has also consolidated its vegetable and side dish offerings, with the purchases of French's potato division three years ago, and Joan of Arc canned vegetables two years ago. "Broadening the base of involvement in the vegetable area allows us to ship more frequently, and provide more products per delivery and fewer cases per item," Eddowes notes. "This affords the customer the advantage of carrying smaller inventory and getting deliveries more often."

A Pillsbury acquisition whose operation has largely been untouched is its purchase of Haagen Dazs in 1983. "We have a lot of autonomy," explains Dee Hubeli, director of military sales, Haagen Dazs. "The acquisition has been positive in that Pillsbury made a large commitment of dollars and positive attitude—they believe in our product concept and support our efforts financially."

The acquisition of Haagen Dazs is representative of several acquisitions of small gourmet ice cream manufacturers. Haagen Dazs was a leader in proving that the consumer would pay more for a creamier taste (and still maintains 60 percent of the super premium ice cream category nationally), and other small entrepreneurs quickly jumped into the market with their own unique offering. Many of these specialty firms

are now under the protective wing of larger companies: Frusen Gladje is part of Kraft, Dove Bars is owned by M&M Mars. Ben & Jerry's, still adamantly independent and produced in Vermont, is going national all on its own.

Hubeli notes that to ensure the quality of their product, Haagen Dazs provides direct store-door delivery, actually delivering the stock to the door and loading the cases. "We go into some military commissaries six days a week—this way, the customer is assured of a perfect product mix for their consumer.

"With our image, customers are flavor-oriented," she adds. "They usually purchase with a specific flavor in mind; they won't just buy whatever's available. We're very careful to watch specific flavor movement, to insure that each store has the mix that's right for their customers—and that this mix is constantly updated and revised as consumer tastes fluctuate."

Ownership and Service

Canada Dry has changed ownerships three times in the last three years—a fact many of its customers were unaware of. "Consolidation in the soft drink world is prevalent, but it really doesn't affect the bottom line," notes Jim DeDreu, director, sales development, Canada Dry/Sunkist, a division of Cadbury/Schweppes. "It's a pretty basic business . . . the consumer really doesn't care who is the provider."

DeDreu explains that changes in ownership really haven't affected the operation of the soft drink concern. Brokers have remained constant, quality and marketing efforts have been consistent—and Canada Dry is still the number one ginger ale, club soda and tonic, according to DeDreu.

But the paperwork must be awesome . . . Canada Dry Corporation was bought by Dr. Pepper Co. in 1983. A year later, it was sold to R.J. Reynolds,

Consolidation is taking place hand-in-hand with our changing lifestyles.

NEW HOMES FOR ESTABLISHED BRANDS

Buyer	Acquisition	Price (millions)	Date	Acquired brands
Procter & Gamble	Richardson-Vicks	$1,250	10-85	NyQuil, Vidal Sassoon shampoos, Clearasil
Philip Morris	General Foods	6,750	9-85	Jell-O, Maxwell House coffee
Brown-Forman	California Coolers		6-85	California Cooler
Greyhound	Purex' Cleaning Products division	264	3-85	Purex bleach, Brillo soap pads
Sara Lee	Nicholas Kiwi	330	11-84	Kiwi shoe polish
Nestlé	Carnation	3,000	9-84	Carnation evaporated milk, Friskies pet food
Ralston Purina	ITT's Continental Baking	475	9-84	Hostess Twinkies, Wonder Bread
R. J. Reynolds	Nabisco Foods	4,900	9-84	Oreo cookies, Life Savers, Ritz crackers
Beatrice Foods	Esmark	2,700	6-84	Wesson oil, Playtex
R. J. Reynolds	Dr Pepper's Canada Dry division	175	4-84	Canada Dry ginger ale
Quaker Oats	Stokely-Van Camp	228	10-83	Gatorade

Source: *Business Week*, 1985

Strong brand names can increase a manufacturer's marketing clout.

who held it about a year, then purchased Sunkist soda and combined the two groups, setting both up in Sunkist's Atlanta headquarters. Canada Dry/Sunkist was sold to Cadbury/Schweppes last year.

"Cadbury is putting more money toward marketing now," notes DeDreu. "We've seen an increase in market share, and expect that to continue."

Bottom Line Impact

All this activity is creating changes, yes—but how much actual impact is there on operations at the military commissary level?

Not much, according to military representatives. It seems the good companies continue to provide quality service, fast and efficient delivery, and valuable marketing dollars and co-op programs—be they large, recently merged or acquired firms or small independents.

"It cannot be assumed that the larger the company the better the delivery and marketing dollars," states Mike Delano, assistant director of merchandising, NAVRESSO. "Often we can be more important to the smaller company, who in turn supports the commissary with outstanding deliveries and marketing dollars."

AFCOMS' Hawkins notes that the Air Force has not seen any changes in delivery service attributable to merger activity. "However, we have occasionally found better support at the store level, which equates to a general improvement in service."

Lewis Stroud, East Coast complex director, Marine Corps Commissary Service Branch, agrees that there hasn't been much change in delivery or ser-

Foreign Affairs

As in most other American industries, foreign dollars are growing in influence in U.S. food manufacturing. After meeting determined resistance from a strong dollar through much of the 1980s, foreign influences are once more infiltrating American concerns . . . and many predict a major move might be in the offing.

A number of reasons lead analysts to this conclusion, including: restriction on expansion in other countries, either because of actions by their governments or the small size of the potential markets there, and the fact that America, despite some stormy clouds on the economic horizon, is considered more hospitable for investments than any other nation.

Recent months have presented two new, very powerful lures: the weaker dollar and lower acquisition prices in the wake of the stock market collapse of October 19, 1987.

Most foreign investors are thought to be here for the long haul. One international marketing consultant notes that few foreign investors are looking to make a quick profit and run. Certainly, in today's shaky economic environment, that is even more true—the investor must be willing to commit time and resources to improve and enhance its acquisition if it is to be profitable.

There is no current hard figure on the amount of sales accounted for by firms controlled by foreign interests. In 1980, it was estimated at 10 percent, and it seems to be the consensus that it has not risen substantially higher than that to date.

The Bureau of Economic Analysis, an arm of the Department of Commerce, tracks foreign activity in the U.S. for all firms that are 10 percent or more foreign-held. The dollar sales of U.S. food manufacturing businesses that are 10 percent or more foreign-held has grown steadily over the last few years, from $16.6 billion in 1983 to $19.7 billion in 1985, the last year for which numbers are available, according to the Bureau of Economic Analysis' Greg Fouch.

Switzerland leads the way when sales are broken down by country . . . due largely to Nestle's outstanding performance. The U.K. is also heavily invested in U.S. food manufacturing firms, followed by Canada and France. Though most nations' interests have remained fairly stable, fluctuating only slightly in the last five years, the United Kingdom substantially reduced its investment in U.S. food manufacturing firms from 1984 to 1985, reducing its holdings of $9 billion to $7.2 billion in sales.

Japan is slowly but steadily building its interests in U.S. firms, and many analysts suggest that is the country to watch for active acquiring in the next two to three years. They expect the pace of foreign acquisitions to pick up as long as the dollar remains weak.

In the words of one analyst, the U.S. market has always been appealing because of its size . . . now it is even more appealing because of its values. ■

vice that they directly relate to merger and acquisition activity. "There has been a lot of merger activity among our suppliers in the last twelve months," Stroud says. "We haven't really seen much change to date . . . maybe it's just too soon for us to see any impact."

The impact might come sooner to increased sales, bypassing operations. General Foods' Craybas notes that, thanks in part to the financial support provided by the recent acquisition, General Foods is focusing more attention and dollars on regional marketing. "It is certainly more difficult to plan 50 different marketing strategies, but we feel this is necessry to achieve our goal: we are committed to being recognized by the customer as the preferred supplier, providing the right product at the right price, delivered at the right time.

"We are driven by the consumer, and feel because of this focus that we are doing a better job of meeting consumer preferences and needs. That attention extends to the military environment," adds Craybas. "Our objective is to encourage shoppers to spend more of their food dollar on-base. We want to help commissaries compete effectively in the general marketplace, and keep in step with today's changing consumer needs." ■

The Broker's View: A Half-Filled Glass

Mergers and acquisitions among food suppliers make Wall Street happy; they often make brokers nervous.

Sometimes, a larger firm (such as Procter & Gamble) will have its own direct sales force. The broker servicing the company purchased by this giant will no longer be needed. Sometimes through acquisitions a firm will become large enough that it feels it can cost justify establishing its own direct sales force again, the broker (or brokers) involved lose.

A good example of this is Lever Brothers. It has recently put its own direct sales force together. In addition to the loss to brokers of Lever Brothers, this giant has now purchased Ragu/ Chesebrough Pond's, which in turn will be serviced by Lever Brothers' direct sales force.

Even if the firms involved stay with brokers, there will inevitably be changes in the distribution process. Most likely, if one broker servicing one company comes up against another broker servicing the purchaser, one broker will lose . . . but one broker will gain.

"It all comes down to the age-old question of . . . is the glass half-full or half-empty?" philosophizes Laura Dixon, president, Dixon Marketing, a military broker firm. "We see the glass as half-full.

"We feel mergers and acquisitions provide an opportunity for our company to expand our responsibilities. If a company we serve is acquired by another firm, this is an opportunity for us to gain that additional business."

Acting on that philosophy, Dixon's firm has doubled its business in the last five years. She attributes a great deal of that growth resulting from mergers and acquisitions by firms she's represented, where she gains significant business from the move.

"Acquisitions are often inspired by a desire to streamline efficiency by the purchasing company," explains Dixon. "We capitalize on the situation by offering them efficiency in serving the military market. We have military expertise, computer reporting, administrative and operating strength."

Another broker, who requested anonymity, voiced a similar attitude toward merger activity. Noting that mergers are always a potential threat in that business may be lost, they also represent an opportunity in which business may be gained.

The major military broker explained that a company needs to do over $150 million per year in sales with the military in the U.S. alone to support a direct sales force. Very few firms have that volume, he noted. Therefore, in most cases, using brokerage firms is more cost efficient for the supplier. Obviously, any supplier would prefer having a direct sales force, but, particularly in the military, it is rarely the most efficient route.

Military commissaries especially are best served by brokers because it is necessary to call on each individual commissary at least once a month if one is to provide quality service. There are nearly 400 commissaries and grocery annexes, the broker noted—each commissary requires an individual sales call. For the broker, however, this is not an insurmountable task. Because he represents several firms, in effect the broker is making several sales calls at once, so from a logistical and cost standpoint he becomes an advantageous tool to use to serve the military market.

In addition, brokers can actually be an advantage in merger and acquisition situations, because they can provide stability in customer service, and depth of knowledge in customer needs. Since military brokers usually specialize in serving only the military, they have a better understanding of the military's specific needs and how to meet those needs. By providing this expertise for the acquiring company during transition, the broker can help the firm maintain quality customer service. This in turn provides a stronger base—and thus a greater chance for success—for the firm's planned increase in marketing and growth activity. ■

Keeping Retirees Coming to the Base

BY JILL WECHSLER

Americans are getting older. The number of consumers above the age of 55 is expected to reach 98 million by the year 2030—one-third of the entire U.S. population—up from 50 million in 1984 and 32 million in 1960. These older consumers, however, are a far cry from the sit-at-home grannies of yesteryear, forced by meager pensions to pinch pennies. A recent survey indicates that the over-55 market segment purchases 30 percent of all food consumed at home. And even though half of all retirees have income levels below $15,000, the over-50 consumers account for half—$130 billion—of all discretionary spending in the United States.

The growth of retirees as a major consumer group is increasingly evident in the military. The number of military annuitants has tripled in the past 20

Jill Wechsler is a Washington, DC-based writer who has articles published in a wide number of consumer and business publications.

years, from 500,000 to about 1.5 million in 1986. Today, 1.4 million retirees receive pay from the four services, and almost 2 million will in 30 years. These numbers don't indicate the full market impact of retirees however. Because they cluster heavily in certain areas, particularly the sunbelt states of California, Florida and Texas, the, can exert considerable clout in those areas.

As a result, military exchanges and commissaries in these areas in particular are taking steps to keep the growing retiree populations in their markets coming into their stores. Complementing the stated mission of the exchanges and commissaries to provide the services and goods needed by *active duty* military personnel, most store managers recognize that building *retiree business*, as well, is key to their economic health. As one exchange official put it, "If there was a decrease in the number of retirees in the store, we would have to reduce services or raise prices—we need the volume flow to make the system work."

The job of attracting older soldiers is not such a challenge for commissaries who find that retirees are often their best customers. "Retirees feel that use of the commissary is their most important benefit after medical care," points out Flo Dunn, public affairs officer at the U.S. Army Troop Support Agency. At some bases, she adds, "half the customers may be retirees."

Perhaps because they know they already attract retirees easily, and also because they are constrained from advertising, many commissaries do little to directly appeal to older customers. They do carry some products in demand by this age group, such as low-sodium and low-calorie food items, points out Alan Jones, operations officer at the East Coast Commissary Complex for the Marine Corps. Commissaries also are beginning to carry health care items specifically designed for the elderly, but with some reluctance. "We try to merchandise to satisfy our largest group of customers, and, hopefully, leave no one out in the cold," comments Jones. "As the retiree community becomes a larger part of our customer base, requests for specific items from this group could account for a larger portion of our sales."

Facing stiffer competition from civilian retailers, military exchanges are making a more concerted effort to attract retirees to base facilities. With freedom to advertise, some are using direct mail to promote special sales or announce events for older customers. At the same time, many exchange officers feel it may be inappropriate to promote heavily to the non-active military because they do not perceive that this age group needs special treatment. This attitude that retirees are no different from other consumers is justified to some extent.

Retirees feel that the use of the commissary and exchange is their most important benefit after medical care.

First of all, most military personnel retire after 20–25 years and are well under 60. And military retirees, overall, are very active. Many are pursuing second and third careers. Those not working full time often travel a good deal. As with the total over-50 market, they don't want to be portrayed as feeble or sickly. And they resist being pushed into any preconceived mold. In fact, research indicates that the "mature market" (currently the preferred term) is very splintered, with sharp differences in buying preferences between those in their 50's and those near 80.

However, there are certain characteristics that can apply to most military retirees and do affect their purchasing preferences. Most do not have young children living at home, so they buy food in smaller quantities. With age comes increased concern over weight and cholesterol, stimulating the retirees' demand for low-calorie, low-fat and low-salt products. While the inevitable proliferation of health problems generates an interest in certain medications and health care products designed primarily for the elderly, their ability to spend more on non-essentials also boosts their demand for gift and home items.

Interestingly enough, price is not as big a concern for retirees as for young families. A 1986 survey of over-55 shoppers by Progressive Grocer Research/Home Testing Institute indicates that lower prices rank lower in importance for this age group than they do for all consumers. Cleanliness, clear labels, pleasant checkout clerks and handy parking are all more important to older shoppers.

With considerable growth projected for the over-50 age group, exchanges and commissaries are recognizing the need to let retirees know that they want their business. Military stores have a major advantage over their civilian competitors in being able to build on the strong affinity of ex-military personnel for base facilities. But as outside retailers and marketers step up their efforts to cater to the mature market, military installations risk losing this advantage if they totally ignore the needs of this market segment. Not all the merchandising techniques used by major retailers are suitable for the military.

However, there are a number of basic steps that military stores can take to

increase their appeal to this age group:

■ **Adding products that retirees need**

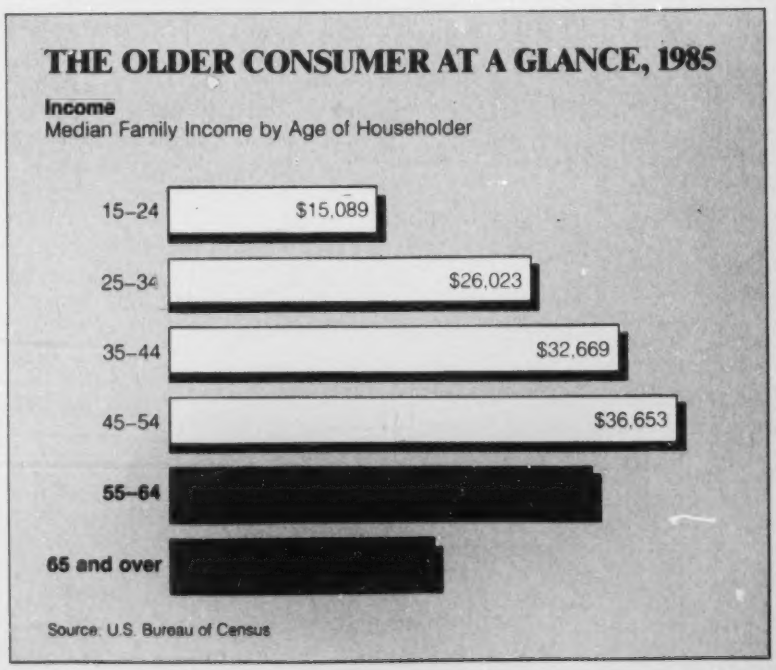
In the food department, this means the variety of low-calorie and low-sodium canned and frozen products, plus single-serving and microwaveable meals available today. "We see the elderly with the same needs as young, single people," comments James H. Moran, director of public relations at the Campbell Soup Co. "Many live and eat alone and want foods that are convenient, healthy and taste good." Campbell's, as a result, now has low-sodium soups and sauces. Similarly, low-calorie, microwaveable frozen foods are becoming increasingly popular at commissaries, points our Richard Fortmeyer, vice president military sales at ConAgra Consumer Frozen Food Co. ConAgra has converted almost all its frozen dinner items to microwaveable packages, "recognizing the changes in lifestyles, in which the elderly play a big part," comments Fortmeyer.

Peter Brinkman, sales planner-military sales with Nabisco Brands, USA, says that although they have no marketing plan specifically targeted to the retired, Nabisco's products, such as 100% Bran Cereal and Fleischmann Margarine are well-suited to the elderly, as well as all other health-conscious consumers.

In addition to special foods, commissaries and exchanges are beginning to carry more health products that appeal specifically to older consumers. A fairly recent addition is incontinency products or "adult diapers," that have a potential market of more than 10 million people. "Paper manufacturers are doing well in this category," remarks Ed Ebert, military spokesman for Scott Paper, makers of the product "Promise." And sales of the "Depend" product have risen from zero five years ago to $200 million today, reports John A. Wright, director of government sales for Kimberly-Clark. Sales growth is "tremendous" at commissaries, he adds, in large part because military outlets don't add on the usual 25–40 percent mark-ups common at civilian stores. By carrying his product, says Wright, "the commissary can provide a big savings to their customers who live on fixed incomes."

■ **Special store sections**

Manufacturers and distributors to military stores always want more shelf space, and those selling products for retirees are no exception. The demand today, particularly from marketers with new lines, is for special product areas within a store. As a result, it's becoming common for commissaries to set aside a portion of the freezer case for diet meals and other specialty products, a move that pleases ConAgra's Fortmeyer. Such "calorie control"



MILITARY RETIREES

Their Numbers
(As of Sept. 30, 1986)

The following table reflects only those retirees receiving retirement pay from the services.

	Army	Navy	Marine Corps	Air Force	Total DoD
For longevity (20 or more years)	403,365	323,654	57,073	467,766	1,251,858
For disability					
Temporary	3,248	4,242	1,197	1,966	10,653
Permanent	55,756	23,984	10,610	37,620	127,970
Total	**462,369**	**351,880**	**68,880**	**507,352**	**1,390,481**

Source: *Defense Almanac, 1987*

freezer sections carry his diet lines as well as those of competing food companies.

A similar trend is to establish special store areas containing a variety of products geared to a particular market segment. For example, some Army commissaries have installed "single soldier" sections, points out Dunn of TSA. "We find that retirees purchase from these even more than singles," she adds.

To be sure to appeal to consumers at the other end of the age spectrum is the idea for in-store "retirement centers," a concept promoted by Upjohn Co.'s executive director consumer product sales Gary Buller. A special section like this could carry his Unicap Senior vitamins, Mycitracin ointment, Kaopectate tablets as well as similar products from other companies that appeal to older consumers. Similarly, Wright of Kimberly-Clark is currently pushing commissaries to devote four feet of shelf space for "home health care" products that would include his incontinency line as well as other health items appealing to older consumers. By supplying commissaries with a suggested plan-o-gram to develop such a section, he's gained support from the U.S. Army Troop Support Agency. NECOR headquarters at Fort Meade recently sent out a message to all the commissaries in the Northeast region to look into the feasibility of such a section.

"We've been presenting a number of ways that our products can be enhanced in stores to buyers from commissaries and exchanges," says Buller, giving the idea for retirement centers as an example. "They really should think about this," he emphasizes. "As the baby boomers move toward retirement years, we'll see an explosion of needs in the senior market."

■ **Cater to large retirement areas**

Commissary and exchange officers in sunbelt areas such as Texas, Florida and California usually are more receptive to ideas for marketing to older veterans because they account for a strong portion of their customers. While Navy exchanges "don't treat retirees as an isolated group," comments Maureen Murray, public affairs specialist at Navy Resale and Services Support Office (NAVRESSO), facilities in areas with a lot of retirees will have products geared to them. The store at Mitchell Field on Long Island, NY, for example, "has an extended giftware section," she points out. And many Navy exchanges in Florida offer a variety of clothing for grandchildren. Kimberly-Clark's Wright has found that MacDill Air Force Base's store in Tampa, FL is doing an "exceptional job" selling his incontinency products, while he's seen strong growth at Ft. Sam Houston in Texas.

■ **Get input from retirees**

Most military bases have suggestion

boxes and advisory boards to gain comments from customers on store services and products, and increasingly encourage retirees to participate. "On every base we have a consumer board, and a retired rep sits on almost all of them," comments Jones of the Marine Corps. "We also get a lot of suggestion forms from retirees." Similarly, Army installations have commissary councils, points out TSA's Dunn, and retirees are urged to attend meetings.

Although exchanges have had advisory councils for many years, in the past they didn't always include a retiree, points out Daniel E. Graham, chief of the marketing branch for the Alamo Exchange Region, Army and Air Force Exchange Service (AAFES). "Now we encourage placing a retiree on the council. Managers look forward to these meetings, because the problems we don't know about are our real concern." In addition to commissary and exchange advisory boards that often include retirees, Air Force bases have retiree affairs councils; these provide a way for retirees to influence the military stores, points out Mike Hawkins, deputy director of public affairs at the Air Force Commissary Service (AFCOMS).

■ Reach out to retirees

While some retirees shop on the base regularly, many live a good distance away. To attract these customers, commissaries and exchanges need to make an effort to communicate with them. Base newspapers and military magazines can contain information about facilities available to retirees. But often an extra effort is required.

For example, AFCOMS makes use of the Air Force's "After Burner" newsletter, published twice a year at Randolph Air Force Base in San Antonio, to reach Air Force retirees all over the U.S. The publication will talk about

WHERE RETIREES LIVE
(As of Sept. 30, 1986)

Mailing Address	Army	Navy	Marine Corps	Air Force	Total DoD
Alabama	16,853	5,341	1,171	12,540	35,905
Alaska	1,630	494	96	2,963	5,183
Arizona	10,474	5,276	1,865	17,793	35,408
Arkansas	6,665	4,024	816	8,763	20,268
California	42,122	85,214	18,813	66,840	212,989
Colorado	13,114	3,812	969	17,192	35,087
Connecticut	3,078	5,025	603	2,288	10,994
Delaware	1,118	688	156	2,693	4,655
Dist. of Columbia	2,712	752	172	1,568	5,204
Florida	35,366	43,125	5,916	53,480	137,887
Georgia	28,303	7,817	2,627	15,585	54,332
Guam	253	620	40	283	1,196
Hawaii	4,721	3,180	813	2,809	11,523
Idaho	1,615	1,708	356	3,341	7,020
Illinois	9,826	6,711	1,604	9,415	27,556
Indiana	7,056	3,358	1,037	5,239	16,690
Iowa	2,913	1,975	456	2,406	7,750
Kansas	6,443	2,347	528	5,499	14,817
Kentucky	10,748	2,539	694	3,932	17,913
Louisiana	8,387	4,581	1,126	11,157	25,251
Maine	2,389	3,162	483	3,168	9,202
Maryland	13,796	10,244	1,642	9,693	35,375
Massachusetts	7,797	6,697	1,321	6,873	22,688
Michigan	7,985	4,587	1,343	7,057	20,972
Minnesota	4,223	3,093	689	3,809	11,814
Mississippi	5,350	4,332	745	8,698	19,125
Missouri	10,194	5,369	1,566	8,998	26,127
Montana	1,231	995	257	2,275	4,758
Nebraska	1,830	1,382	269	5,534	9,015
Nevada	2,698	3,063	744	7,570	14,075
New Hampshire	2,411	1,919	418	3,467	8,215
New Jersey	11,852	5,912	1,363	5,455	24,582
New Mexico	4,411	2,185	509	8,147	15,252
New York	14,046	8,132	2,213	10,238	34,629
North Carolina	20,946	8,158	6,698	12,551	48,353
North Dakota	623	329	62	1,224	2,238
Ohio	10,566	5,899	1,939	13,903	32,307
Oklahoma	11,654	3,771	971	11,086	27,482
Oregon	4,698	5,635	1,117	5,652	17,102
Pennsylvania	16,416	10,100	2,700	10,474	39,690
Puerto Rico	6,473	292	136	648	7,549
Rhode Island	1,341	3,604	240	866	6,051
South Carolina	13,077	9,198	2,163	12,662	37,100
South Dakota	904	457	93	1,819	3,273
Tennessee	12,376	7,461	1,704	9,516	31,057
Texas	52,007	17,911	4,640	66,410	140,968
Utah	2,377	1,319	311	3,750	7,757
Vermont	1,075	528	112	814	2,529
Virginia	28,301	33,501	5,325	17,838	84,965
Virgin Islands	136	49	12	43	240
Washington	17,666	15,698	1,757	16,522	51,643
West Virginia	3,357	1,910	588	2,473	8,328
Wisconsin	4,890	2,813	764	3,735	12,207
Wyoming	719	495	105	1,614	2,933
Other	9,702	7,727	660	8,091	26,180
Total	**522,914**	**386,519**	**85,517**	**538,459**	**1,533,409**

Source: *Defense Almanac, 1987*

a new facility or provide information on a special AFCOMS event that might interest retirees.

Special seminars for retirees are held on many naval bases, points out Murray of NAVRESSO, and officers in charge of Navy exchanges and commissaries often give talks about what's available at their stores. Such briefings are particularly popular in regions with heavy retiree populations, she adds.

Some Army and Air Force exchanges go even further by scheduling special events to attract retirees to the base. "A lot of local installations have a 'retiree day'," says Graham of AAFES' Alamo Exchange Region, an area where retirees are "an important segment of our customer mix," he says. For example, the Randolph Exchange Retiree Appreciation Day is announced with special flyers to retirees in the area. "Probably every exchange does something like this on a local basis," says Graham. A retirees' day program often will include a talk on AAFES by the exchange officer, and the exchange will have a special sale and serve refreshments. "We make significant efforts to reach retirees," he adds.

■ **Try direct mail**

A major campaign to better promote exchanges to retirees began a year ago at AAFES, and it's based on direct mail. "We were looking to see if we could increase the number of retirees coming into the stores," explains Maj. James Heaberg, AAFES spokesman. "We felt this was an untapped market."

The plan was to develop solid mailing lists of retirees and reservists living within 50 miles of military posts. The Department of Defense provided AAFES with computer tapes of all retirees' home addresses, and the program was launched last year in selected test areas. The first mailings included an advertising flyer plus a reply post card that had to be returned if the recipient desired to continue receiving notices from the exchange. Amazingly enough, "we got a 23 percent response," says John A. Hanson, chief of sales promotion for AAFES, explaining that a 3 percent return is considered good, and 5 percent extraordinary, in the direct mail business.

After a year of developing this program, AAFES now has a solid list of 350,000 names, including about 150,000 retirees that have indicated an interest in receiving exchange promotional materials. In addition to returning the postcard, Hanson notes that many respondents have added positive comments. "Most retirees have felt left out of the military system since their retirement. They say they don't get much input, but they want to shop at the exchange."

Exchanges face stiff competition from civilian retailers in attracting retirees.

With this list, which will probably grow to about 250,000 retiree names by the end of this year, AAFES plans to mail out flyers about 12–15 times a year including several notices at Christmas. Some mailings will announce sales on items of most interest to retirees such as home fix-up materials, white goods, gift items and toys. "Retirees are responsible for buying 70 percent of the toys we sell," Hanson points out. These special promotions usually will involve higher-priced goods, he adds: "It has to be an item you get in your car and drive 20–30 miles for."

Although Hanson can't specifically measure the result of this direct-mail campaign, he feels it's having an impact. "When I talk to store managers, they say they see retirees coming in after a mailing with the flyer in their hand." James H. Boswell, chief of marketing for AAFES' Southeast Exchange Region agrees. "We have comments from retirees that they are very pleased with the mailings. We feel it has been very successful."

■ **Promote health and nutrition**

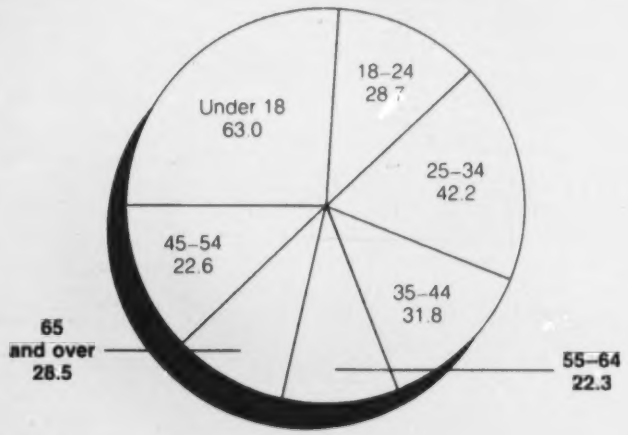
Although retirees are not the only commissary customers interested in "diet" foods, they do generate strong demand for health-oriented products. NAVRESSO is capitalizing on this trend with its new "Nutri-Guide" program, which places color-coded labels on shelves to indicate low-sodium, fat-modified or calorie-controlled grocery products. Similar labels are used in the meat department. The program is not designed specifically for the elderly, comments NAVRESSO's Murray, "but our store managers feel that retirees appreciate this program more than other customers."

Programs like these indicate that the military is becoming more receptive to new methods for reaching older consumers in their markets. Most manufacturers and distributors, however, feel they could do more. Upjohn's Buller points out that he offers a variety of seasonal coupons and seasonal buys on his products. "But the military is not as quick to participate in these programs as are civilian operations." He is optimistic, though, that the military will be using more cooperative advertising programs and other promotions in the future.

Similarly, Wright of Kimberly-Clark finds he has "to do a lot of educating" to get his products into military installations. Now about 70 percent of the commissaries carry his line, but many stores order only a small quantity, and

THE OLDER CONSUMER AT A GLANCE, 1985

Population
Estimated Total U.S. Population by Age Group, in Millions



Source: U.S. Bureau of Census

then don't reorder when they sell out. "But to build consumer awareness, you have to let the customer know that you have this product every day," he says. To encourage this, Kimberly-Clark is attaching "instant-dollar-off" coupons to packages plus offering a $2-off mail-in coupon and $10 cash refunds on a purchase equivalent to a case. Because commissaries can offer his product at considerable savings, says Wright, "it's a good way to get a person to come into the store. And it's not taking sales away from any other category."

Lee Leichtag, president of American Vitamin Co., provides drug products and vitamins to the military, and is familiar with the mature market. He, too, feels that the exchange system could be more creative in gearing itself to the older people who account for a large portion of their business. "If AAFES and NAVRESSO want to push programs for retirees, we'd help them. We would sponsor a marathon or walkathon for people over 60," he says, adding that he supports such events elsewhere. Commissaries and exchanges, he adds, could do many things to appeal to older consumers, suggesting drawings for memberships to fitness centers or holding exercise sessions.

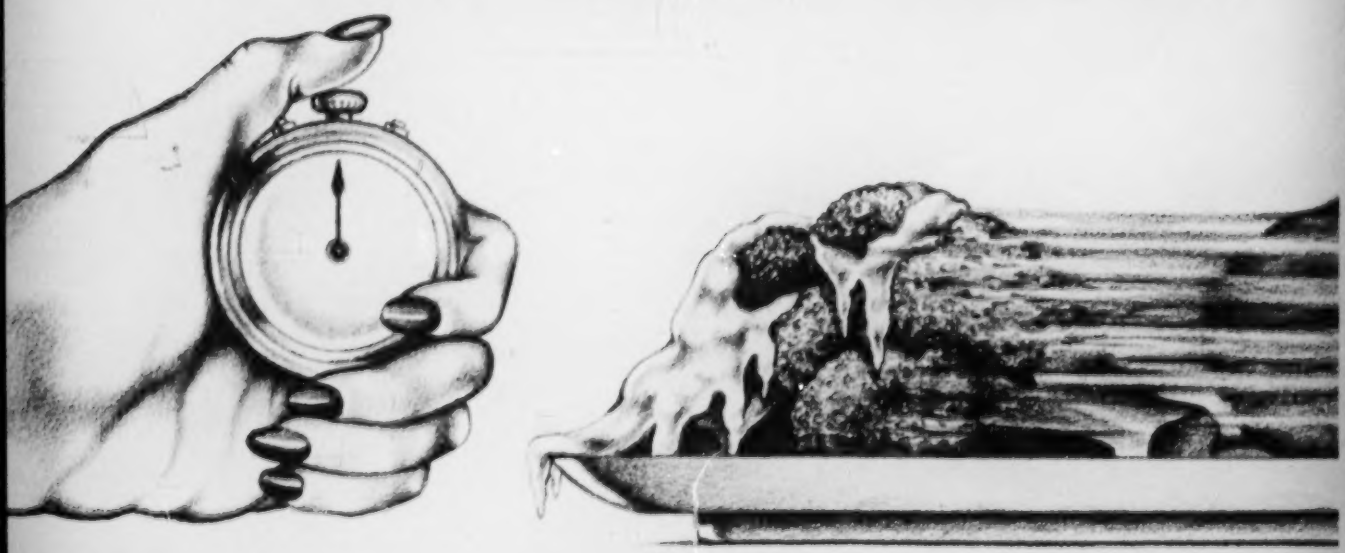
These are the kinds of programs now being offered by many civilian supermarkets and department stores to attract retirees into their stores. Farm Fresh stores in Norfolk, VA for example, provide courtesy wheelchairs and complimentary blood pressure-testing machines in their pharmacies. An Illinois supermarket offers free coffee to senior shoppers, encouraging them to regard the shopping trip as a social event. Brookshire Grocery in Texas has a Senior Saver program and introduces new stores with a Senior Saver Day. Sears Roebuck has a Mature Outlook Club and Montgomery Ward its YES (Years of Extra Savings) club which offer discounts to seniors. K-Mart attracted a good deal of attention by setting aside a few hours one Saturday before Christmas for a "senior citizen shopping spree," offering transportation, gift-wrapping, mailing services and refreshments.

For the most part, military retirees enjoy shopping at their commissaries and exchanges. "We find that military retirees cherish their commissary privileges and will drive considerable distances to shop there," comments ConAgra's Fortmeyer. "But they won't do this if the commissary or exchange is not a good place for them to shop—if it's too busy or too confusing. We feel the services have addressed the need to market specially to the elderly. Many commanders recognize the opportunities here. But most can do more." ■

BY LAURA J. KREGEL

Microwaveable Foods in the Commissaries

Macro-Convenience in Micro-Time



Fast and easy cooking is *in*. Labor-intensive meals are *out*. As one who has been waiting for years for 60-second meal preparation to become acceptable adult behavior, I find that to be extremely gratifying news.

Few of our daily habits have been as impacted by the prevalence of the two-profession household as the way we prepare our food. *Convenience* is the key. And today's best selling food products solve America's quest for convenience by utilizing that most convenient of all kitchen conveniences—the microwave oven.

The microwave has become the proverbial right arm of cooks who must adapt meals to fit individual or family schedules. Estimates figure that 60 to 70 percent of American homes currently have a microwave oven, and it is expected that 90 percent of all American homes will utilize microwave ovens by 1990.

Military families are hardly exempt from the trend toward microwave cookery. NAVRESSO believes 85 percent of their commissary shoppers own microwaves. So it's not surprising to see a vast array of microwaveable foods

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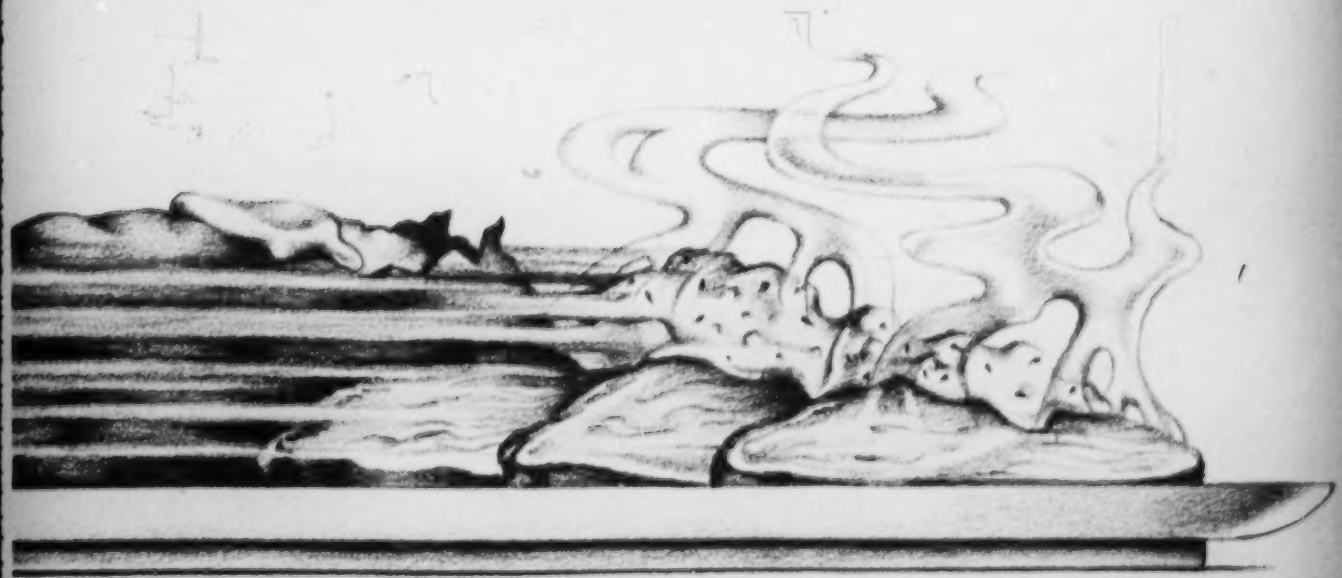
Laura J. Kregel is president of Communi-K, Inc., a Fairfax, VA-based communications firm whose specializations include marketing and merchandising.



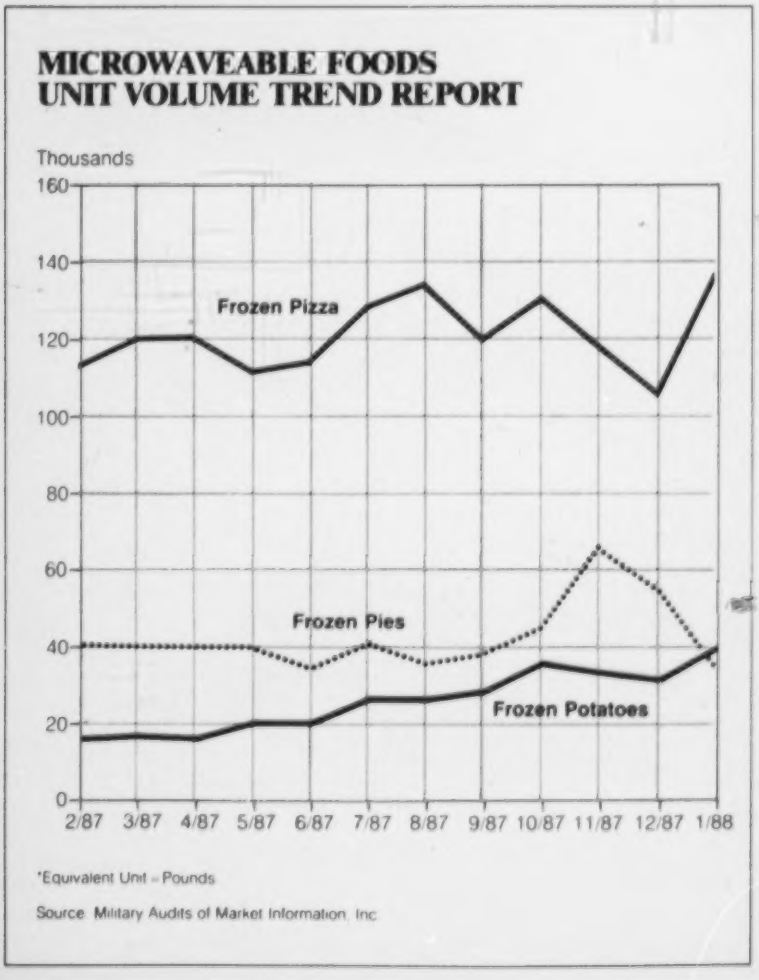
vying for the attention of commissary consumers.

The Microwave Revolution

The microwaveable foods market has grown tremendously since 1972, when Stouffer's first placed microwave cooking instructions on some of its product packaging. Stouffer's was reacting to a new market that at that time included only about one percent of all American homes.

According to a recent study, about half of current microwave owners have purchased ovens since 1984, and Stouffer's now has some 90 microwaveable frozen food products. Sales of frozen dinners and entrees were expected to reach $4.5 billion in 1987. (That's a 26 percent increase from 1984 and double the 1982 amount.) Frozen entree preparation increased 90 percent from 1983 to 1986. One out of three homes prepares one complete meal a day in a microwave oven. "The times," as they say, "are a-changin'."

"Just right" seems to be the single biggest challenge faced by food manufacturers creating microwave products.



Why So Popular?

"People no longer have the time or the desire to cook. Food preparation *must* be easy," observes Dick Majeski, director of Marine commissary operations for the West Coast commissaries.

It doesn't get much easier than microwave cooking.

Microwaveables are easy to prepare and clean up. They're reasonably priced compared to fast food and often considerably more nutritious. Microwaves utilize less energy than conventional ovens. The time in which food can travel from frozen to steamy is almost incredible.

Breakfast seems to be a meal particularly revolutionized by microwaveable food. As fewer people have the time or inclination to cook breakfast, more Americans are eating breakfast on the way to work. Market research has shown that busy people want the convenience of fast food breakfasts in the comfort of home, and single-serving breakfast foods are quick, inexpensive and convenient. Oden's Tennessee Pride, for example, offers a line of frozen microwave "anytime" sandwiches—sausage, steak, chicken or ham biscuit sandwiches—at just 99 cents each.

Popcorn, complete frozen dinners, frozen entrees, diet entrees, pizza and seafood rank highest in popularity among microwaveable foods.

Burgeoning Military Market

Reasons for the incredible market growth of microwaves and microwaveable foods within military lifestyles vary from house to house. Many military households are single-person dwellings (as is one out of every four civilian American households) and single-serving microwaveable foods have caught on like wildfire.

With one or both parents working long hours, family time can also be maximized by food that requires up to 70 percent less time to prepare. And of

course, the portability of microwave ovens make them particularly attractive to military personnel, who tend to move often. Before the moving van even arrives at the new location, the microwave can prepare a nutritious and tasty family meal.

The military microwave food market is exploding.

Fine-Tuning Preparation

As the popularity of microwaveable foods grows, manufacturers are still wrestling with several challenges inherent in producing foods for these intricate devices.

Challenge: Timing

When seconds truly count, as they do in microwaveable food preparation, varying wattages can mean porridge that is "too hot" or "too cold." In fact, "just right" seems to be the single biggest challenge faced by food manufacturers creating products for ovens with varying capabilities.

Microwave oven manufacturers have few standard requirements. They build microwave magnetrons of anywhere from 200 to 720 watts, controlled by the user from two to 100 power settings. Models offer turntables, "stir fans," digital or dial timers, sensors, temperature probes, pre-programmed cooking and browning elements. Some include convection or radiant heat sources, or toaster oven/broiler capabilities. And they come in subcompact, compact, mid-sized and full-sized models.

To say the least, this variation makes for great difficulty in detailing instructions for consumers. For instance, most "compact" ovens have 500 watts of power, cooking 30 percent slower than typical full-sized models. That may not make much difference when baking one potato or heating one leftover portion, but for large portions or for cooking meats or casseroles, the difference may be 10 to 15 minutes.

Oven manufacturers themselves have attempted to overcome the timing problem. Optional "sensors" determine the doneness of foods by detecting escaping moisture. Factory-set programs

MICROWAVEABLE FOODS 6-MONTH PRODUCT MOVEMENT SUMMARY

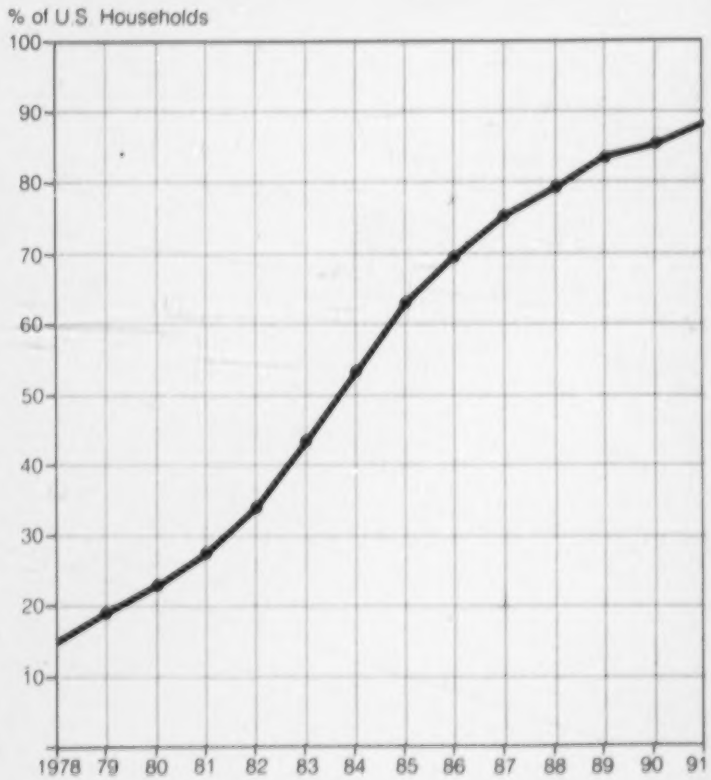
(48-state CONUS Commissaries Only)

	Unit Volume		
Category	Dec '86-Jul '87	Aug '87-Jan '88	% Change
Frozen Pizza	707,509	746,715	6%
Frozen Potatoes	121,610	196,996	62%
Frozen Pies	233,715	272,213	16%

*Equivalent Unit = Pounds

Source: Military Audits of Market Information, Inc.

% MICROWAVE SATURATION BY YEAR



Source: Amana, Inc. Consumer Relations Dept.

on some models set the time and power level based on the user's accurate input of weight and kind of food. A temperature probe option skewers the food and controls the cooking after the desired temperature is set on the keypad.

A turntable can aid in even cooking, reducing "hot spots" so common to mirowave cooking, but it may instead create a "bulls-eye" effect. Turntables also reduce available oven capacity by about one-third. A "stir fan" mounted on the oven ceiling represents an effort to overcome this by bouncing the microwave off its bent angles and directing them into the center of the oven.

The most recent advance in accurate cooking time is ConAgra's new "Microready Indicator," made in conjunction with 3M. A two-color strip on the top of an Armour Dinner Classic's plastic dome gradually turns from white to blue as steam rises from the food, guaranteeing doneness regardless of oven wattage.

Creative Vaguery

Despite these valiant efforts by microwave manufacturers, food product manufacturers have been forced to come up with some solutions of their own—primarily in the development of creatively unspecific package instructions.

Susan Hanley, manager of product publicity at ConAgra in St. Louis, says ConAgra's typical test kitchen incorporates ovens with all available features, and package instructions are determined after all potential oven variations are taken into account. "But it's a time-consuming process," she said.

Consumer adjusting of package instructions to fit individual microwave ovens has become commonplace, and is recommended by microwave food manufacturers.

For example:

- For their new "MicroRave Brownies", Pillsbury suggests the chef "add extra time in 30-second intervals."
- Orville Redenbacher Microwave Popcorn packages state: "Set on high for 5 minutes . . . Important: Microwaves vary and time will range from 2 to 5 minutes. Note: Tested in microwaves of 450 to 1,000 watts."
- A store-brand bakery product warns: "Do not heat pie in compact microwave oven."
- A Celeste Pizza label reads: "Directions developed using 500 to 700 watts. Times may vary with other ovens."
- Bird's Eye frozen vegetable packages say "Cooking times are approximate."
- Stouffer's microwaveable packages state: "Because ovens vary, these instructions are guidelines. For full enjoyment of taste and appearance, Stouffer's prefers conventional oven preparation. When time is a factor, enjoy the convenience of microwave cooking in the DUALON tray."

Many manufacturers now also offer consumers toll-free phone lines to answer questions about their products.

Challenge: Color & Texture

The color and texture of microwaved food present another challenge. While some foods like sausage links are available "pre-browned," many foods can suffer from lack of color and crispness.

Gary Grossman, president of Innovations and Development, a microwave product design consultant, doesn't think this is a problem. "As more children grow up eating food made in mi-

MARKETING IN THE 80s
52-WEEK DOLLAR TRENDS ON MICROWAVE PRODUCTS
(In the Thousands)

Microwave Products	Period ending:	10/09/87	% Chg	06/19/87	03/27/87	01/02/87	10/10/86
Dessert Baking Mixes		34,183	2695.3	23,235	16,871	7,893	1,223
Dessert & Ice Cream Toppings		17	16.0	17	14	19	14
Paper Towels		78,020	32.8	73,747	68,364	62,970	58,743
Popcorn—Microwave		269,167	63.9	235,940	211,470	186,215	164,243
Frozen Pies		33,615	-8.3	35,302	36,158	36,817	36,652
Frozen Dinner Bread and Rolls		208	0.0	13	0	0	0
Frozen Fish		31,949	0.0	15,240	5,226	0	0
Frozen Poultry Dishes		31,636	192.8	29,042	25,607	17,766	10,803
Frozen Meat Dishes		6,808	51.3	8,100	8,316	6,516	4,500
Frozen Oriental Dishes		424	-87.5	850	1,368	2,315	3,387
Frozen Potatoes		40,450	103.8	35,250	30,854	25,169	19,852
Frozen Hors D'Oeuvres		5,258	-42.6	6,029	6,834	8,328	9,162
Frozen Pizza		59,685	-5.6	61,133	62,141	63,777	63,230
Frozen French Toast & Pancakes		34,454	72.2	30,722	27,907	23,627	20,008
Frozen Breakfast		76,189	20.9	76,769	74,202	69,877	63,037
Frozen Microwave Popcorn		57,560	-11.4	59,374	60,840	63,129	64,972
Total Microwave Products		**759,622**	**46.1**	**690,763**	**636,172**	**574,419**	**519,827**

Source: SAMI Data Management System

crowaves, the problem of acceptable texture and appearance for food will diminish." People who don't agree can opt for an additional conventional heating element that browns and crisps.

For appearance as appealing as aroma, a microwave that doubles as a toaster oven, broiler, conventional convection oven (or any combination of the above) is hard to beat, and several manufacturers have risen to the challenge.

With a combination microwave/baking capacity, consumers can alternate from one mode to another or switch to conventional toasting, baking or broiling once the microwaving is completed.

Microwaveable vs. Conventional?

The majority of microwaveables, according to commissary buyers and product manufacturers, are not displacing conventional items. Rather, the entire prepared foods market is experiencing tremendous growth.

"As more children grow up eating food made in microwaves, the problem of acceptable texture and appearance will diminish."

"Sales of our conventional foods aren't slowing down," said Majeski, "but we're giving more and more space to microwaveables. The entire market is expanding."

Richard Corbett agrees. As senior vice president for marketing at the LaSalle Group, ConAgra's advertising and promotion agency, he reports, "The general consensus at ConAgra is that the frozen food categories in which they compete have grown in scope, with microwave products becoming more popular all the time. While there is probably some switch-over from non-microwave products, convenience food sales in general are up."

Are foods more desirable to consumers if they can be prepared in either a conventional or a microwave oven? TSA, DPSC, and AFCOMS all think so.

NAVRESSO also agrees that their consumers prefer having the option, "especially in pizza," says Maureen Murray in the public affairs office. "It's nice if pizza's quickly prepared, but pizza tastes better browned and crispy in the regular oven." Many microwave pizza makers now include a "susceptor" disk tray. When placed under the cooking pizza, the tray reflects microwaves back up into the pizza, double-cooking it to create a crispy crust and browned dough.

While many conventionally cooked foods can also be cooked in a micro-

Pillsbury
We want to be your Preferred Supplier
We are the men and women of The Pillsbury Company Special Markets Sales division and we think our initials help spell out what we are dedicated to do for you our military customers.
TRAIN our people to provide you with patron oriented product expertise.
PLAN so that events are timely and out of stocks are minimized.
CREATE effective military promotions that add value and excitement to your stores.
SELL the right product mix to insure your patrons' satisfaction.
MERCHANDISE your shelves, frozen cabinets and displays for maximum sales impact.
SERVICE all of your stores on a consistent and timely basis.

wave oven, many products are designed only for microwave use. Popcorn, some frozen dinners and entrees and the new line of microwaveable cakes are among the growing list of strictly microwaveable items.

Microwave popcorn has actually begun to displace stove-top popcorn, despite its higher price. General Mills' Betty Crocker "PopSecret" microwave popcorn, for example, is enjoying a 44 percent sales increase over sales a year ago. For General Mills, "PopSecret" is second only to Cheerios in sales to the military.

"The microwave has simply brought *new* buyers into the convenience food marketplace," said Marguerite Tremelin of Stouffer's consumer affairs department.

Joe Taylor of Oden's Tennessee Pride feels that people have microwaves only for convenience, but use conventional ovens when time warrants. And Rick Fortmeyer, vice president of military sales for ConAgra's frozen food products, stated: "Certain non-microwaveable products, such as the Banquet and Morton meat pies, have shown both sales and market share increases over the past 52 weeks. The same is true for Banquet frozen chicken, which is not recommended for microwave preparation."

Military marketing manager Bill Kastor of General Mills thinks microwaveable products add to the total market, and that conventional food products are getting a lesser share. He adds, however, that the share will increase as the general market expands.

Competing for Space

Adequate space has always been a problem in the commissaries, but microwaveable foods have managed to command an increasing amount of "shelf space." The Marine Corps' West Coast commissaries have grown from four Le Menu items, which sold out every payday, to twelve rows of dinners in the freezer case.

According to ConAgra spokesman Richard Corbett, "Commissary space is still one of the largest problems with frozen foods. Sometimes more items have been authorized and stocked than there are spaces in the frozen food cabinets."

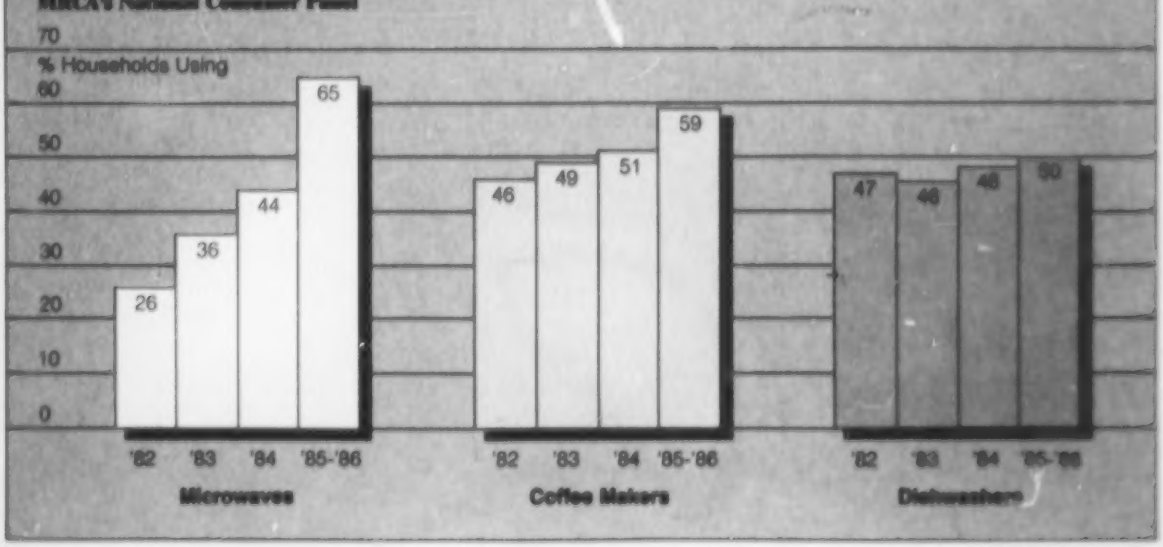
How do commissaries deal with the oversupply? "Items end up in back rooms until space is available, or authorized items are not ordered due to lack of room," Corbett said. "It can be frustrating for the commissary patron who can purchase a favorite product on one trip and not on the next." Corbett asserts that "microwave products appear to have a more difficult time finding space than conventional products because so many new microwave products are constantly being introduced."

General Mills' Bill Kastor says the newer and bigger commissaries provide adequate display space but the older,

MICROWAVE OVENS IN THE 80s

Microwave ownership has shown a pattern of dramatic growth in the 1980s. Unlike automatic coffee makers or dishwashers, which had penetration near the 50% mark early in the decade, microwave ovens simply "took off." When and how will this meteoric rise level off? Some analysts suggest that this process had already begun by the end of 1986. Others predict ownership levels at 80% or 90% by the decade's end. Regardless, the microwave oven has already become a "fixture" in America's kitchens, one which must be accommodated in the plans of those who market food and beverage related items.

Microwave Ownership Vs. Other Kitchen Appliances
MRCA's National Consumer Panel



smaller facilities can be difficult. Steve Carvel of Pillsbury believes his company has less of a problem getting space for its microwaveables than for its conventional products, "since we are the leader in microwave products, and these products are so popular."

Stokely similarly asserts that commissaries are making room for its single-serving vegetables due to the unique product's popularity.

According to Michael Zuck, AFCOMS's specialist in microwaveable foods, there is no line of demarcation in the display of microwaveable and conventional frozen foods. Most product manufacturers would prefer a little distinction for their microwaveable products. One such company, Oden's Tennessee Pride, is trying to encourage commissary operators to group all microwaveable meat products in one section, instead of in the apparent random manner that currently exists.

Packaging Innovations

Packaging is one of the most innovative aspects of the creation of microwaveable foods. New packaging materials add convenience and attractiveness.

Generally, microwaveable foods are cooked in their own pouches, pans or plates, which are then discarded.

On the other hand, consumers will probably reuse the new plastic tray Stouffer's provides. Stouffer's, as well as Armour, did not pass on the higher cost of their plastic tray to the consumer when they replaced the foil pans. "We didn't feel we should penalize those consumers who use our products in a conventional oven," Stouffer's Tremelin reported.

The Stouffer DUALON tray, made in conjunction with General Electric, features no flavor transfer and no material odor, nor will it chip, crack, bend or warp at extreme temperatures. It is non-stick, and it can be hand-held without potholders when removed from a microwave *or* a conventional oven.

New Armour Dinner Classics, launched nationwide in March 1988, will feature round dinner plates, eliminating the "airline" look consumer surveys revealed were unpopular.

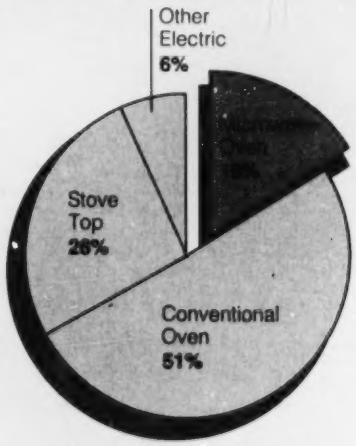
"Double packaging" often serves to make a product preparable in both a microwave and a conventional oven, according to a January *St. Louis Business Journal* article. Foil overlays are used in a conventional oven but must be removed when the food is cooked in a microwave. Conversely, the plastic top used in microwaves to generate more heat inside the dinner would melt in a conventional oven.

Shelf-stable microwave foods have been a goal of product departments at several U.S. food companies. In the forefront, the Dial Corporation is introducing "Lunch Buckets," a line of microwaveable foods that require no refrigration and are packaged in heat-and-serve containers. And others are beginning to enter the market now with other shelf-stable microwave products.

Rising to the Challenge

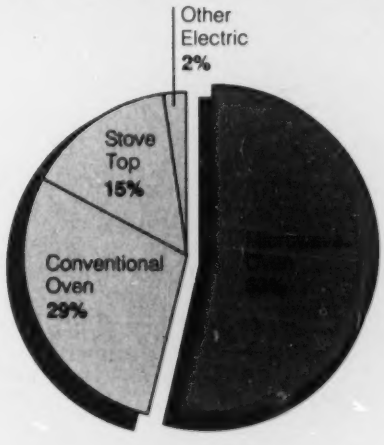
The considerations involved in developing quality microwaveable food products are certainly myriad, but America's food product manufacturers are rising admirably to the challenge. Given the advances made within this industry in the past ten years, military and civilian consumer can't help looking ahead to future innovations with great anticipation. ■

PERCENT OF PREPARATION OF ALL DINNERS & ENTREES—1981



Source: Menu Census, MRCA as provided by ConAgra Frozen Foods

PERCENT OF PREPARATION OF ALL DINNERS & ENTREES—1986



Source: Menu Census, MRCA as provided by ConAgra Frozen Foods

7th Annual Commissary Sales Report FY1987

BY JULIE BAILES LEGG

The American Logistics Association is indebted to the Air Force Commissary Service (AFCOMS), the U.S. Army Troop Support Agency (TSA), the Navy Resale and Services Support Office (NAVRESSO), and the Marine Corps Commissary Service (MCOMS) for their invaluable cooperation and assistance with providing the data necessary for this report.

Julie Bailes Legg is the editor of Interservice *magazine.*

Commissary Sales Report Index

	Page
All-Service Commissary Reports	
Store Census	67
FY87 Sales Summaries	68
Coupon Redemptions	70
Surcharge Expense Distribution	70
Sales by Geographic Locations	72
Store Rankings by Total Sq. Ft.	118
Store Rankings by Average Monthly Sales/Sq. Ft.	122
Store Rankings by ACV	125
Air Force Commissaries	
CONUS Store-by-Store Sales	77
Overseas Store-by-Store Sales	86
5-Year Total Sales Summary by Region	78
Coupon Redemptions by Region	76
Army Commissaries	
CONUS Store-by-Store Sales	93
Overseas Store-by-Store Sales	98
5-Year Total Sales Summary by Region	94
Coupon Redemptions by Region	93
Marine Corps Commissaries	
CONUS Store-by-Store Sales	103
Overseas Store-by-Store Sales	106
5-Year Total Sales Summary by Complex	104
Coupon Redemptions by Store	103
Navy Commissaries	
CONUS Store-by-Store Sales	108
Overseas Store-by-Store Sales	114
5-Year Total Sales Summary by Region	109
Coupon Redemptions	108

Commissary Store Census

This table provides a geographic breakdown of the number of military commissary stores in operation and reporting sales as of December 31, 1987. Excluded are 42 Army (Troop Support Agency) grocery annexes which for reporting purposes are included in the official operating results of main stores.

	CONUS
Total DoD	**235**
Army (TSA)	66
Navy	60
Air Force (AFCOMS)	96
Marine Corps	13
	Overseas
Total DoD	**149**
Army (TSA)	72
Navy	23
Air Force (AFCOMS)	52
Marine Corps	2
	Worldwide
Total DoD	**384**
Army (TSA)	138
Navy	83
Air Force (AFCOMS)	148
Marine Corps	15

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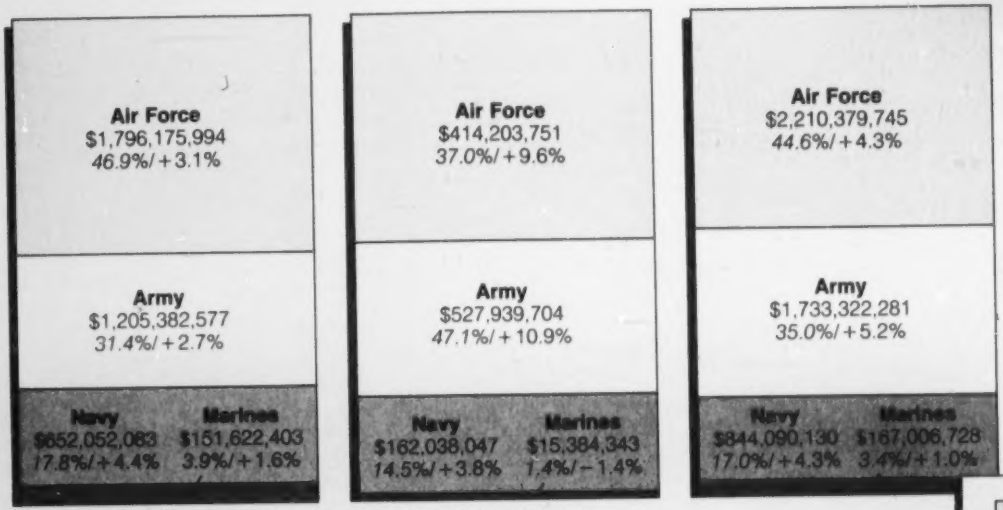
All-Service Commissary Total Sales—FY87

	CONUS	Overseas	Worldwide
DoD Totals:	$3,835,233,057	$1,119,565,845	$4,954,798,902
% of W/W Totals:	77.4%	22.6%	100.0%
% Change vs. FY86:	+3.1%	+9.2%	+4.5%

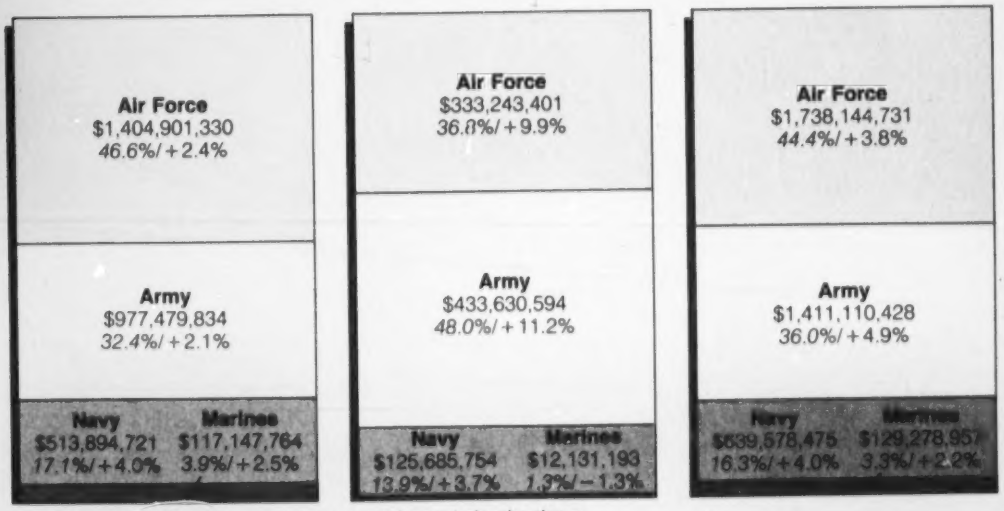


Note: The percentage in italics represents the respective service's sales shares.

Air Force
Army
Navy
Marines

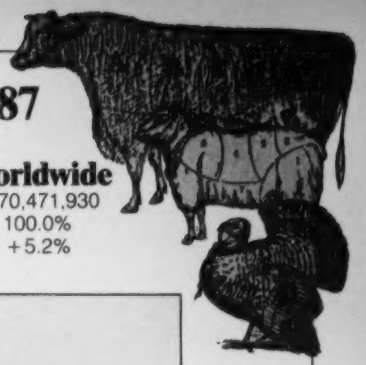
All-Service Commissary Grocery Sales—FY87

	CONUS	Overseas	Worldwide
DoD Totals:	$3,013,423,649	$904,688,942	$3,918,118,591
% of W/W Totals:	77.0%	23.0%	100.0%
% Change vs. FY86:	+2.6%	+9.5%	+4.2%

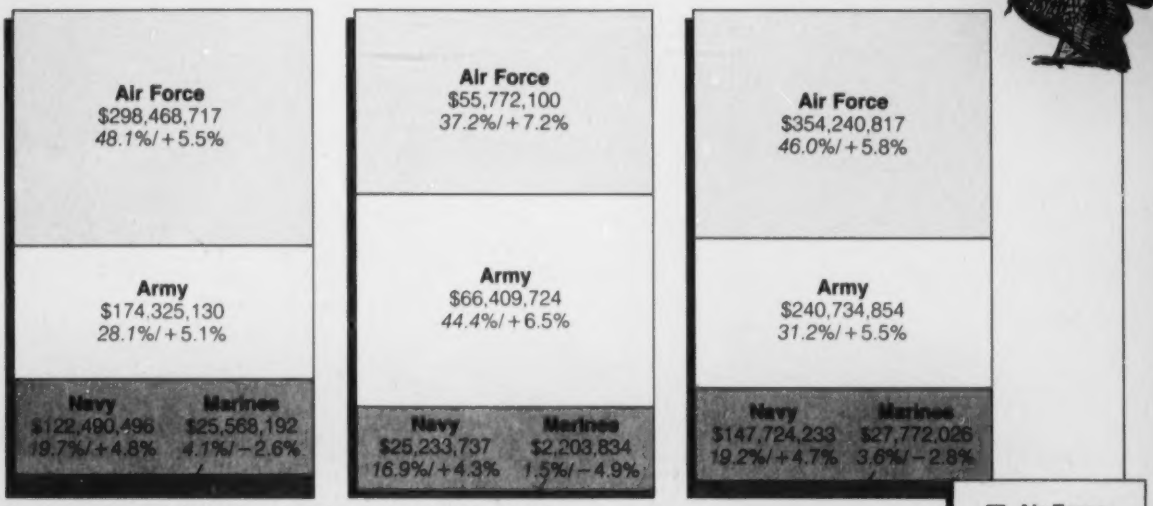


Note: The percentage in italics represents the respective service's sales shares.

All-Service Commissary Meat Sales—FY87



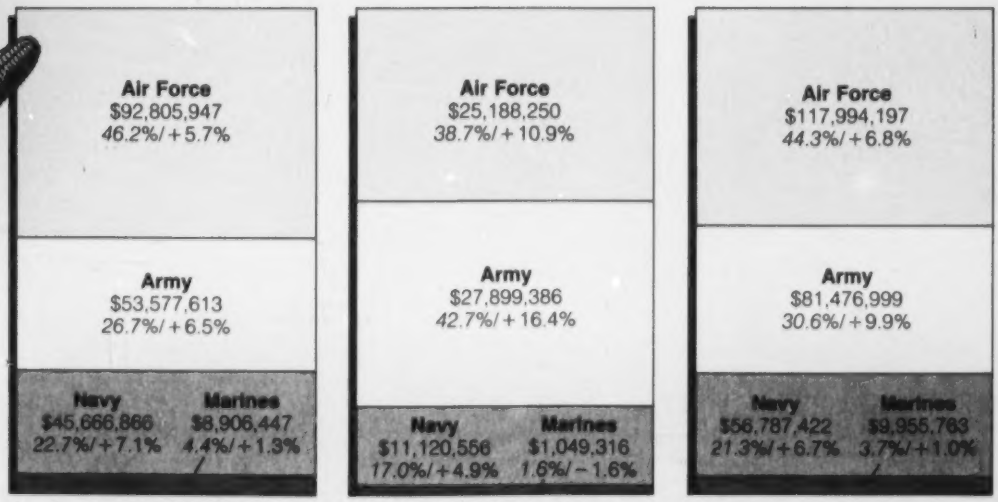
	CONUS	Overseas	Worldwide
DoD Totals:	$620,852,535	$149,619,395	$770,471,930
% of W/W Totals:	80.6%	19.4%	100.0%
% Change vs. FY86:	+4.9%	+6.0%	+5.2%



Note: The percentage in italics represents the respective service's sales shares.

All-Service Commissary Produce Sales—FY87

	CONUS	Overseas	Worldwide
DoD Totals:	$200,956,873	$65,257,508	$266,214,381
% of W/W Totals:	75.5%	24.5%	100.0%
% Change vs. FY86:	+6.0%	+12.0%	+7.5%



Note: The percentage in italics represents the respective service's sales shares.

All-Service Commissary Coupon Redemptions
(FY87)

CONUS	Number	% Share CONUS	% Share Worldwide	$ Value	% Share CONUS	% Share Worldwide
Air Force	100,863,801	48.9	46.0	47,183,410	50.9	47.9
Army	64,100,000	31.0	29.2	32,239,441	34.8	32.7
Navy	35,627,148	17.3	16.2	11,377,540	12.2	11.5
Marine Corps	5,793,644	2.8	2.6	1,842,547	2.1	1.9
CONUS Totals	**206,384,593**	**100.0%**	**94.0%**	**$92,642,938**	**100.0%**	**94.0%**

Overseas	Number	% Share Overseas	% Share Worldwide	$ Value	% Share Overseas	% Share Worldwide
Air Force	6,879,348	53.3	3.1	3,006,521	51.2	3.0
Army	5,200,000	40.4	2.4	2,606,898	44.4	2.6
Navy	469,253	3.6	0.2	149,856	2.5	0.1
Marine Corps	344,613	2.7	0.2	112,984	1.9	0.1
Overseas Totals	**12,893,214**	**100.0%**	**5.9%**	**$5,876,259**	**100.0%**	**5.8%**

Worldwide	Number		% Share Worldwide	$ Value		% Share Worldwide
Air Force	107,743,149	–	49.1	50,189,931	–	50.9
Army	69,300,000	–	31.6	34,846,339	–	35.4
Navy	36,096,401	–	16.5	11,527,396	–	11.7
Marine Corps	6,138,257	–	2.8	1,955,558	–	2.0
Worldwide Totals	**219,277,807**	**–**	**100.0%**	**$98,519,224**	**–**	**100.0%**

Notes: Data may not reflect actual geographic distribution of coupon redemptions because official figures reported by region may include stores actually operating overseas but reported in CONUS, and vice-versa. Figures may not add due to rounding.

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All-Service Commissary Surcharge Expense Distribution
(FY87)

Total surcharge sales dollars	AFCOMS $107,800,000	TSA $84,399,303	Navy $42,000,000	Marine Corps $8,291,000
% surcharge $ distributed to:				
Construction	40.8	48.0	32.8	32.3
Operating & office supplies	25.8	13.0	17.6	19.9
Utilities	14.7	9.4	19.8	17.4
Maintenance & services	10.3	11.0	13.8	15.7
Store Equipment & ADP	8.4	18.6	16.0	16.9
Total	**100.0[1]**	**100.0**	**100.0**	**102.2[2]**

Notes: Details may not add to 100 percent due to rounding. Expense from transportation, linens/uniforms and other like expense items is included in data for maintenance & services. Surcharge sales dollars exclude revenue from other sources (e.g., salvage and carboard sales and cash discounts from suppliers).

[1]AFCOMS operating expenses do not equal revenue.
[2]USMC builds a new commisary every 2-3 years.

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All-Service Commissary Sales by Geographic Locations

Country	DoD Total	% of DoD	Air Force	Army	Navy	USMC
Australia	543,184	0.06	–	–	543,184	–
Azores	5,392,282	0.63	5,392,282	–	–	–
Belgium	8,424,308	0.99	844,468	7,579,840	–	–
Bermuda	4,183,327	0.49	–	–	4,183,327	–
Canada	695,122	0.08	–	–	695,122	–
Cuba	5,988,049	0.70	–	–	5,988,049	–
Egypt	1,896,699	0.22	–	1,896,699	–	–
Germany	427,582,628	50.29	95,805,020	331,777,608	–	–
Greece	7,655,585	0.90	7,655,585	–	–	–
Iceland	4,127,969	0.48	–	–	4,127,969	–
Italy	32,736,532	3.85	8,933,246	10,000,352	13,802,934	–
Japan	102,749,949	12.08	75,493,663	7,964,674	15,995,339	3,296,273
Korea	67,452,875	7.93	21,468,984	45,521,839	462,052	–
Netherlands	10,384,550	1.22	4,629,915	5,754,635	–	–
Norway	1,139,843	0.13	1,139,843	–	–	–
Panama	33,683,732	3.96	–	33,683,732	–	–
Philippines	42,318,889	4.97	28,494,988	–	13,823,901	–
Saudi Arabia	3,423,048	0.40	–	3,423,048	–	–
Spain	19,401,379	2.28	12,753,124	–	6,648,255	–
Turkey	9,911,348	1.16	9,911,348	–	–	–
United Kingdom	60,442,919	7.10	54,472,444	–	5,970,475	–
Totals	**$850,134,217**	**100.00%**	**$326,994,910**	**$447,602,427**	**$72,240,607**	**$3,296,273**

State	DoD Total	% of DoD	Air Force	Army	Navy	USMC
Alabama	94,560,404	2.30	33,608,304	60,952,100	–	–
Alaska	61,630,159	1.50	33,348,870	24,244,303	4,036,986	–
Arizona	105,874,296	2.57	80,466,067	18,893,249	–	6,514,980
Arkansas	37,128,857	0.90	37,128,857	–	–	–
California	626,233,212	15.25	244,417,684	68,568,079	251,324,010	61,923,439
Colorado	123,486,905	3.00	78,967,069	44,519,836	–	–
Connecticut	21,915,229	0.53	–	–	21,915,229	–
Delaware	18,897,674	0.46	18,897,674	–	–	–
District of Columbia	47,914,123	1.16	19,986,589	27,927,534	–	–
Florida	281,746,538	6.86	179,829,808	–	101,916,730	–
Georgia	163,481,231	3.98	30,101,819	121,626,446	6,005,396	5,747,570
Guam	33,953,064	0.83	16,788,108	–	17,164,956	–
Hawaii	142,765,289	3.48	37,071,868	32,997,872	60,607,479	12,088,070
Idaho	11,389,132	0.28	11,389,132	–	–	–
Illinois	68,239,878	1.66	41,399,117	26,840,761	–	–
Indiana	41,514,824	1.01	9,187,111	17,025,814	15,301,899	–
Iowa	–	–	–	–	–	–
Kansas	57,693,567	1.40	15,323,092	42,370,475	–	–
Kentucky	74,650,469	1.81	–	74,650,469	–	–
Louisiana	79,393,865	1.93	47,897,551	21,803,64	9,692,672	–
Maine	18,903,010	0.46	9,206,141	–	9,696,869	–
Maryland	116,828,530	2.85	35,822,308	66,258,610	14,747,612	–
Massachusetts	34,726,059	0.84	18,342,757	16,383,302	–	–
Michigan	30,244,314	0.74	17,862,622	12,381,692	–	–
Minnesota	–	–	–	–	–	–
Mississippi	52,863,637	1.29	43,711,011	–	9,152,626	–

Continued on page 75

State	DoD Total	% of DoD	Air Force	Army	Navy	USMC
Missouri	30,613,635	0.74	10,104,755	20,508,880	–	–
Montana	12,069,672	0.29	12,069,672	–	–	–
Nebraska	31,990,771	0.78	31,990,771	–	–	–
Nevada	41,095,273	1.00	38,859,280	–	2,235,993	–
New Hampshire	19,862,228	0.48	19,862,228	–	–	–
New Jersey	70,468,628	1.72	49,524,929	18,138,071	2,805,628	–
New Mexico	58,412,651	1.42	54,726,598	3,686,053	–	–
New York	70,940,390	1.73	26,303,837	32,768,503	11,868,050	–
North Carolina	117,093,586	2.85	15,851,360	52,811,396	–	48,430,830
North Dakota	19,424,879	0.47	19,424,879	–	–	–
Ohio	43,315,364	1.05	43,315,364	–	–	–
Oklahoma	82,772,300	2.02	51,568,084	31,204,216	–	–
Pennsylvania	40,802,534	0.99	–	31,679,914	9,122,620	–
Puerto Rico	31,083,127	0.76	–	23,095,106	7,988,021	–
Rhode Island	12,408,270	0.30	–	–	12,408,270	–
South Carolina	108,893,870	2.65	53,071,152	27,480,674	20,348,864	7,993,180
South Dakota	14,041,169	0.34	14,041,169	–	–	–
Tennessee	21,851,897	0.53	4,010,487	–	17,841,410	–
Texas	389,711,510	9.49	232,721,700	146,379,732	10,610,072	–
Utah	24,693,183	0.60	22,869,375	1,823,808	–	–
Vermont	–	–	–	–	–	–
Virginia	335,583,485	8.17	38,730,352	171,734,954	104,105,793	21,012,386
Washington	170,093,173	4.14	72,176,462	46,964,369	50,952,342	–
West Virginia	–	–	–	–	–	–
Wisconsin	–	–	–	–	–	–
Wyoming	11,408,824	0.28	11,408,824	–	–	–
Totals	**$4,104,664,685**	**100.00%**	**$1,883,384,843**	**$1,285,719,860**	**$771,849,527**	**$163,710,455**

BELIEVE IT OR NOT

Can you name the top ten overseas military commissaries that last year reported the highest average monthly dollar sales per square feet of selling space? They are:

1. Pearl Harbor, HI ($183)
2. Mainz, FRG ($167)
3. Corozal, Panama ($160)
4. Vicenza, Italy ($148)
5. Patch Barracks, FRG ($126)
6. Mannheim, FRG ($121)
7. Weisbaden, FRG ($119)
8. Hickam AFB, HI ($114)
9. Ft. Kobbe/Howard, Panama ($109)
10. Ft. Buchanan, PR ($106)

BELIEVE IT OR NOT

Which are the ten CONUS military commissaries that last year reported the highest average monthly dollar sales per square feet of selling space?

They are:

1. Ft. Belvoir, VA ($183)
2. Ft. Ord, CA ($171)
3. MacDill AFB, FL ($168)
4. Oakland AB, CA ($168)
5. Ft. Drum, NY ($160)
6. Ft. Bliss, TX ($140)
7. Ft. Hood, TX ($140)
8. West Point, NY ($134)
9. McClellan AFB, CA ($130)
10. Ft. Carson, CO ($129)

Air Force Commissary Coupon Redemptions
(FY87)

CONUS	Number	% Share CONUS	% Share Worldwide	$ Value	% Share CONUS	%Share Worldwide
California	14,353,878	14.2	13.3	6,330,018	13.4	12.6
Delta-Gulf	12,712,535	12.6	11.8	6,632,953	14.0	13.2
North Central	12,968,906	12.8	12.0	5,907,409	12.5	11.8
Northeast	12,541,027	12.4	11.6	5,850,726	12.4	11.6
Northwest*	7,915,353	7.8	7.8	3,715,385	7.9	7.4
South Central	16,246,577	16.3	15.1	7,615,069	16.2	15.2
Southeast	11,325,135	11.2	10.5	5,331,087	11.3	10.6
Southwest	12,800,390	12.7	11.9	5,800,762	12.3	11.6
CONUS Totals	**100,863,801**	**100.0%**	**94.0%**	**$47,183,409**	**100.0%**	**94.0%**

Overseas	Number	% Share CONUS	% Share Worldwide	$ Value	% Share CONUS	%Share Worldwide
Andersen AFB, Guam	143,127	2.1	0.1	54,395	1.8	0.1
Ankara, Turkey	34,608	5.0	N	9,252	0.3	N
Aviano AB, Italy	72,641	1.0	0.1	39,218	1.3	0.1
Camp New Amsterdam, NL	82,615	1.2	0.1	36,581	1.2	0.1
Clark AB, PI	476,860	6.9	0.4	172,606	5.7	0.3
Germany Complex	1,893,812	26.5	1.7	776,773	25.8	1.5
Greece Complex	70,554	1.0	0.1	38,674	1.3	0.1
Hickam AFB, HI	1,558,808	20.6	1.4	657,895	21.9	1.4
Incirlik, Turkey	87,564	1.3	0.1	20,093	0.7	N
Izmir, Turkey	42,368	0.6	N	12,010	0.4	N
Lajes Field, Azores	65,717	0.9	N	25,373	0.8	N
Misawa, Japan	165,843	2.4	0.1	56,531	1.9	0.1
Okinawa Complex	721,706	9.5	0.6	297,892	9.9	0.6
Osan AB & Kunsan, Korea	276,870	4.0	0.2	194,104	6.4	0.4
San Vito & Comiso, Italy	37,835	0.5	N	16,929	0.6	N
Spain Complex	109,118	1.6	0.1	141,360	4.7	0.4
UK Complex	857,170	12.4	0.8	388,403	12.9	0.8
Yokota AB, Japan	182,132	2.5	0.2	68,431	2.4	0.1
Overseas Totals	**6,879,348**	**100.0%**	**6.0%**	**$3,006,521**	**100.0%**	**6.0%**
Worldwide Totals	**107,743,149**		**100.0%**	**$50,189,921**		**100.0%**

Notes: Details may not add to totals due to rounding. N = Not significant; less than one-tenth of one percent.
*Includes Alaska stores.

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BELIEVE IT OR NOT

Which 5 U.S. States reported the largest DoD totals for FY87 military commissary sales? They are:

1. California ($626,233,212)
2. Texas ($389,711,510)
3. Virginia ($335,583,485)
4. Florida ($281,746,538)
5. Washington ($170,093,173)

Air Force Commissary Sales
(FY87)

CONUS

California Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Beale AFB, CA	6	14,391,679	78	18	4	0.6	15,392	78	0.38
Castle AFB, CA	7	19,348,085	79	17	4	5.4	22,760	71	0.50
Edwards AFB, CA	6	13,785,934	78	17	5	6.4	19,852	58	0.36
George AFB, CA	6	15,438,673	78	17	5	5.5	13,207	97	0.40
Indian Springs Fld., NV	1	495,796	94	4	2	-0.2	1,720	24	0.01
Los Angeles AFB, CA	5	11,857,721	79	17	4	/a	23,270	42	0.31
March AFB, CA	8	27,724,187	78	17	5	7.0	28,810	80	0.72
Mather AFB, CA	8	31,681,506	77	17	6	4.4	30,516	87	0.83
McClellan AFB, CA	8	28,505,599	77	18	5	2.3	18,248	130	0.74
Nellis AFB, NV	8	38,363,484	80	15	5	3.4	28,647	112	1.00
Norton AFB, CA	8	27,921,900	78	17	5	8.7	29,053	80	0.73
Travis AFB, CA	8	34,733,271	76	18	6	6.0	34,372	84	0.91
Vandenberg AFB, CA	7	19,029,129	79	16	5	3.3	33,319	48	0.50
Region Totals		**$283,276,964**	**78%**	**17%**	**5%**	**4.7%**	**299,166**	**$79**	**7.39%**

Delta-Gulf Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Arnold AFB, TN	3	4,010,487	74	13	3	3.0	8,040	42	0.10
Barksdale AFB, LA	8	35,736,168	78	17	5	4.5	35,304	84	0.93
Blytheville AFB, AR	4	7,993,287	79	17	4	4.1	14,108	47	0.21
Columbus AFB, MS	5	10,227,170	78	17	5	-0.9	20,643	41	0.27
Eglin AFB, FL	8	32,539,772	77	17	6	7.9	23,086	117	0.85
England AFB, LA	6	12,161,383	77	18	5	0.2	9,863	103	0.32
Gunter AFB, AL	5	11,206,405	77	18	5	-2.3	17,330	54	0.29
Hurlburt AFB, FL	6	12,022,369	80	15	5	1.2	11,917	84	0.31
Keesler AFB, MS	8	33,483,841	78	17	5	3.6	30,689	91	0.87
Little Rock AFB, AR	8	29,135,570	79	16	5	1.0	38,342	63	0.76
Maxwell AFB, AL	7	22,401,899	78	17	5	6.2	31,580	59	0.58
Moody AFB, GA	5	11,056,447	78	17	5	2.3	20,064	46	0.29
Robins AFB, GA	7	19,045,369	79	16	5	0.4	26,522	60	0.50
Tyndall AFB, FL	7	21,299,870	77	18	5	2.9	25,981	68	0.56
Region Totals		**$262,320,037**	**78%**	**17%**	**5%**	**1.8%**	**313,469**	**$70**	**6.84%**

/a Less than 0.1%.
/b Opened FY86.
/c Opened FY87.
n/a Totals not meaningful for comparison purposes.
* Data not available.

Store classes for Air Force commissaries are based upon total average monthly sales, as follows:

Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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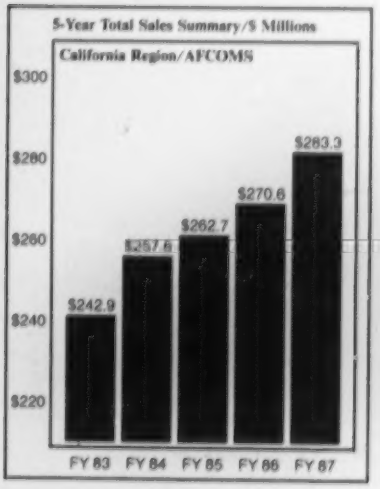
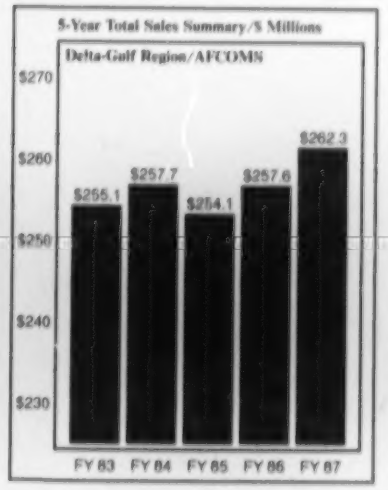
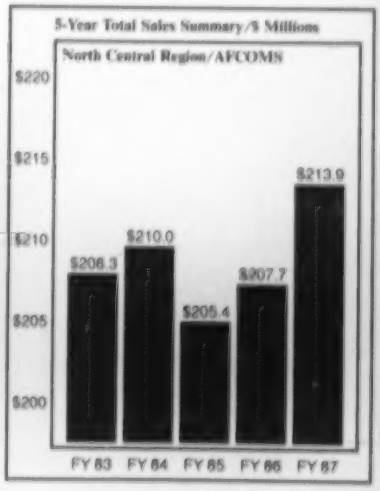
Air Force Commissary Sales
(FY87)

North Central Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Calumet AFS, MI	1	331,292	100	0	0	3.7	1,797	15	/a
Chanute AFB, IL	6	13,691,692	79	16	5	-0.6	25,144	45	0.36
Dickinson AFS, ND	1	85,551	100	0	0	/c	2,015	4	/a
Ellsworth AFB, SD	6	14,041,169	79	16	5	6.8	17,596	66	0.37
F.E. Warren AFB, WY	5	11,057,870	79	17	4	3.8	15,484	60	0.29
Forsyth AFS, MT	1	191,676	100	0	0	/b	2,015	8	/a
Grand Forks AFB, ND	5	9,648,276	79	17	4	/a	16,422	49	0.25
Grissom AFB, IN	5	9,187,111	79	16	5	2.8	19,554	39	0.24
K.I. Sawyer AFB, MI	4	8,775,558	78	17	5	0.6	17,428	42	0.23
McConnell AFB, KS	6	15,323,092	80	16	4	0.2	23,100	55	0.40
Minot AFB, ND	5	9,691,052	79	16	5	3.2	15,329	53	0.25
Offutt AFB, NE	8	31,990,771	79	16	5	2.5	32,795	81	0.83
Port Austin AFS, MI	1	281,992	100	0	0	-3.6	1,490	16	0.01
Scott AFB, IL	8	27,707,425	77	17	6	3.7	27,339	84	0.72
Whiteman AFB, MO	5	10,104,755	81	14	5	-2.8	18,313	46	0.26
Wright-Patterson AFB, OH	8	43,315,364	78	17	5	5.5	38,100	95	1.13
Wurtsmith AFB, MI	4	8,473,780	80	16	4	4.1	17,133	41	0.22
Region Totals		**$213,896,426**	**79%**	**16%**	**5%**	**3.0%**	**291,054**	**$61**	**5.57%**







/a Less than 0.1%.
/b Opened FY86.
/c Opened FY87.
n/a Totals not meaningful for comparison purposes.
* Data not available.

Store classes for Air Force commissaries are based upon total average monthly sales, as follows:

Class 1: Up to $100,000	Class 4: $500,001-$750,000	Class 7: $1,500,001-$2,000,000
Class 2: $100,001-$300,000	Class 5: $750,001-$1,000,000	Class 8: Over $2,000,000
Class 3: $300,001-$500,000	Class 6: $1,000,001-$1,500,000	

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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Air Force Commissary Sales
(FY87)

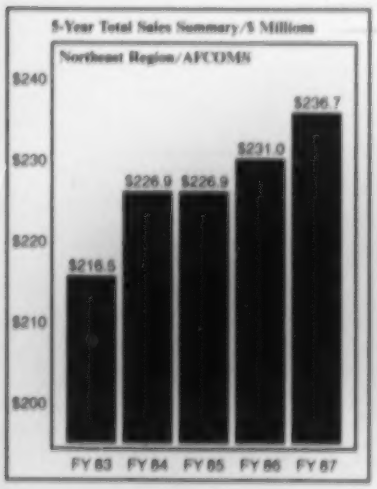
CONUS

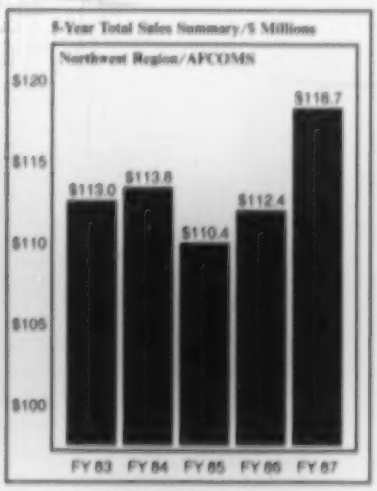
Northeast Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Andrews AFB, MD	8	35,822,308	76	18	6	-4.7	28,827	103	0.93
Bolling AFB, DC	7	19,986,589	75	18	7	-2.3	28,365	59	0.52
Dover AFB, DE	7	18,897,674	79	17	4	4.6	25,947	61	0.49
Griffiss AFB, NY	6	14,928,679	80	15	5	-0.8	16,231	77	0.39
Hanscom AFB, MA	7	18,342,757	78	17	5	-1.8	36,512	42	0.48
Langley AFB, VA	8	38,730,352	76	18	6	7.7	27,813	116	1.01
Loring AFB, ME	5	9,206,141	80	15	5	9.9	19,052	40	0.24
McGuire AFB, NJ	8	49,524,929	78	17	5	6.2	41,162	100	1.29
Pease AFB, NH	7	19,862,228	80	16	4	3.0	29,911	55	0.52
Plattsburgh, NY	5	11,375,158	80	15	5	3.7	12,906	73	0.30
Region Totals		**$236,676,815**	**78%**	**17%**	**5%**	**2.4%**	**266,726**	**$74**	**6.17%**

Northwest Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Fairchild AFB, WA	7	23,302,992	80	15	5	4.8	31,139	62	0.61
Havre AFS, MT	1	185,688	93	5	2	/c	2,015	8	/a
Hill AFB, UT	7	22,869,375	79	15	6	7.1	17,112	111	0.60
Makah AFS, WA	1	313,034	92	6	2	-8.1	1,376	19	0.01
Malmstrom AFB, MT	5	11,692,308	80	15	5	1.2	25,301	39	0.30
McChord AFB, WA	8	48,560,436	78	16	6	7.0	47,705	85	1.27
Mt. Home AFB, ID	5	11,389,132	79	16	5	1.1	16,449	58	0.30
Powell AFS, WY	1	350,954	93	5	2	17.6	2,566	11	0.01
Region Totals		**$118,663,919**	**79%**	**16%**	**5%**	**5.5%**	**143,663**	**$69**	**3.09%**





South Central Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Altus AFB, OK	5	10,074,850	78	16	6	5.1	19,880	42	0.26
Bergstrom AFB, TX	8	32,752,497	76	18	6	2.9	31,040	88	0.85
Brooks AFB, TX	4	6,691,174	79	17	4	3.0	16,216	34	0.17
Carswell AFB, TX	8	47,883,281	79	16	5	1.0	48,561	82	1.25
Dyess AFB, TX	6	15,659,782	79	16	5	-4.7	22,362	58	0.41
Goodfellow AFB, TX	4	8,309,720	80	15	5	1.9	11,660	59	0.22
Kelly AFB, TX	4	8,283,749	79	17	4	0.4	19,176	36	0.22
Lackland AFB, TX	8	42,308,953	77	18	5	3.8	41,488	85	1.10
Laughlin AFB, TX	3	5,321,853	80	15	5	2.3	17,800	25	0.14
Randolph AFB, TX	8	39,952,210	77	17	6	2.8	30,860	108	1.04
Sheppard AFB, TX	7	18,766,318	77	16	7	-1.0	24,317	64	0.49
Tinker AFB, OK	8	36,732,350	79	16	5	5.0	37,228	82	0.96
Vance AFB, OK	3	4,760,884	77	17	6	6.0	11,000	36	0.12
Region Totals		**$277,497,621**	**78%**	**17%**	**5%**	**2.1%**	**331,588**	**$70**	**7.24%**

Southeast Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Avon Park, FL	1	1,167,157	93	6	1	7.7	3,012	32	0.03
Charleston AFB, SC	8	26,477,905	77	18	5	10.4	30,821	72	0.69
Fort Fisher AFS, NC	1	726,896	95	4	1	0.3	3,239	19	0.02
Homestead AFB, FL	8	26,536,551	78	17	5	5.4	27,600	80	0.69
MacDill AFB, FL	8	50,886,239	80	16	4	2.8	25,280	168	1.33
Myrtle Beach AFB, SC	5	10,768,174	78	17	5	1.9	11,272	80	0.28
Patrick AFB, FL	8	35,377,850	77	17	6	6.5	29,592	100	0.92
Seymour-Johnson AFB, NC	6	15,124,464	77	18	5	2.6	17,035	74	0.39
Shaw AFB, SC	6	15,825,073	77	18	5	-0.2	15,000	88	0.41
Region Totals		**$182,890,309**	**78%**	**15%**	**5%**	**4.6%**	**162,851**	**$94**	**4.77%**

/a Less than 0.1%
/b Opened FY86.
/c Opened FY87.
n/a Totals not meaningful for comparison purposes.
* Data not available

Store classes for Air Force commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000 Class 4 $500,001-$750,000 Class 7 $1,500,001-$2,000,000
Class 2 $100,001-$300,000 Class 5 $750,001-$1,000,000 Class 8 Over $2,000,000
Class 3 $300,001-$500,000 Class 6 $1,000,001-$1,500,000

BELIEVE IT OR NOT

Can you name the military commissary that last year posted the highest figure for average monthly sales per square feet of selling space? The answer: Army's Ft. Belvoir, VA commissary reported a figure of $183.

Air Force Commissary Sales
(FY87)

CONUS

Southwest Region/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Cannon AFB, NM	4	8,291,598	78	17	5	6.6	18,100	38	0.22
Davis-Monthan AFB, AZ	8	32,398,343	78	16	6	3.0	25,181	107	0.84
Gila Bend AFS, AZ	1	410,401	96	3	1	-4.4	2,663	13	0.01
Holbrook AFB, AZ	1	254,113	97	3	0	8.2	708	30	0.01
Holloman AFB, NM	6	13,913,199	80	15	5	3.5	25,088	46	0.36
Kirtland AFB, NM	8	32,521,801	80	15	5	6.8	26,638	102	0.85
Lowry AFB, CO	8	35,601,827	77	17	6	3.5	35,413	84	0.90
Luke AFB, AZ	8	29,215,736	79	16	5	5.3	23,700	103	0.76
Peterson AFB, CO	8	27,580,582	77	17	6	0.3	23,144	99	0.72
Reese AFB, TX	4	6,792,169	78	17	5	-0.3	18,700	30	0.18
USAF Academy, CO	6	15,784,660	76	17	7	-1.4	16,767	78	0.41
Williams AFB, AZ	7	18,187,474	79	16	5	2.0	22,630	67	0.47
Region Totals		**$220,951,903**	**78%**	**16%**	**6%**	**3.1%**	**238,732**	**$77**	**5.76%**
CONUS AFCOMS Totals		**$1,796,175,994**	**78%**	**17%**	**5%**	**3.1%**	**2,047,249**	**$73**	**46.83%**

/a Less than 0.1%
/b Opened FY86
/c Opened FY87
n/a Totals not meaningful for comparison purposes
* Data not available

Store classes for Air Force commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000 Class 4 $500,001-$750,000 Class 7 $1,500,001-$2,000,000
Class 2 $100,001-$300,000 Class 5 $750,001-$1,000,000 Class 8 Over $2,000,000
Class 3 $300,001-$500,000 Class 6 $1,000,001-$1,500,000

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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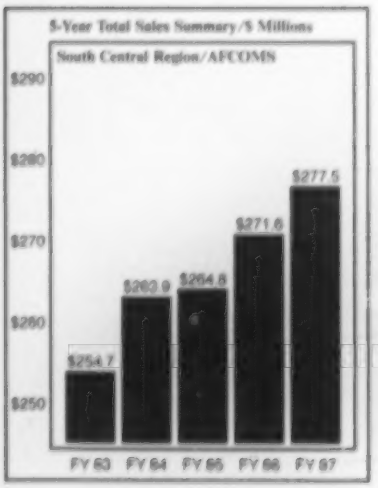

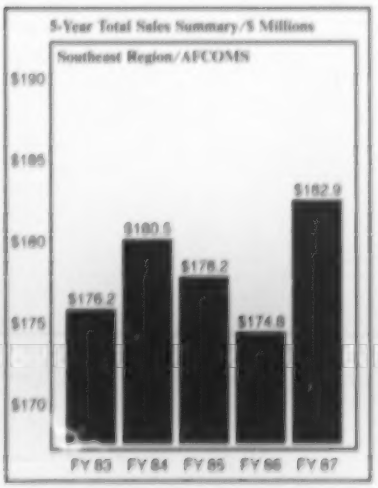

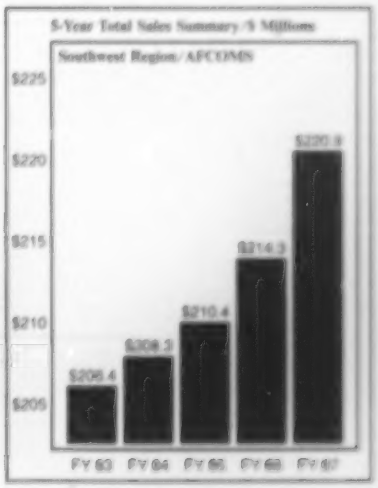

Air Force Commissary Sales
(FY87)

Alaska Stores/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Eielson AFB, AK	4	8,608,338	79	15	6	1.3	9,794	73	0.77
Elmendorf AFB, AK	8	24,740,532	75	19	6	–0.8	31,285	66	2.21
Totals		**$33,348,870**	**76%**	**18%**	**6%**	**–0.3%**	**41,079**	**$68**	**2.98%**

Central European Complex/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Bitburg AB, FRG	4	8,918,983	82	12	6	5.3	8,426	88	0.80
Florennes, Belgium	1	844,468	100	0	0	/b	1,914	37	0.08
Hahn AB, FRG	5	11,267,826	83	11	6	18.4	10,312	91	1.01
Hessisch-Oldendorf, FRG	2	1,351,025	93	0	6	19.3	3,173	35	0.12
Oslo, Norway	1	1,139,843	82	11	7	13.5	4,032	24	0.10
Preum AS, FRG	1	465,404	100	0	0	5.2	1,453	27	0.04
Ramstein AB, FRG	8	26,815,253	80	13	7	13.2	32,510	69	2.40
Rhein-Main AB, FRG	6	15,132,011	79	15	6	39.6	20,859	60	1.35
Sembach AB, FRG	4	6,229,520	80	13	7	21.8	9,375	55	0.56
Spangdahlem AB, FRG	4	8,356,130	81	13	6	30.4	8,297	84	0.75
Trier, FRG	1	162,924	100	0	0	19.8	1,356	10	0.01
Vogelweh AB, FRG	6	17,105,944	80	14	6	6.9	17,349	82	1.53
Complex Totals		**$97,789,331**	**81%**	**13%**	**6%**	**17.9%**	**119,056**	**$68**	**8.73%**

Greece Complex/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Hellenikon AB	2	2,526,508	89	8	3	–8.6	8,395	25	0.23
Hellenikon Branch	2	3,306,778	95	0	5	34.5	3,453	80	0.30
Iraklion	2	1,702,583	86	7	7	1.3	4,206	34	0.15
Nea Makri	1	119,716	100	0	0	/c	1,203	8	/a
Complex Totals		**$7,655,585**	**91%**	**4%**	**5%**	**10.9%**	**17,257**	**$37**	**0.67%**

/a Less than 0.1%
/b Opened FY86
/c Opened FY87
n/a Totals not meaningful for comparison purposes
* Data not available

Store classes for Air Force commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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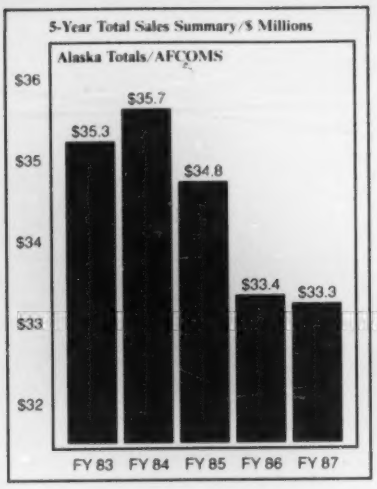
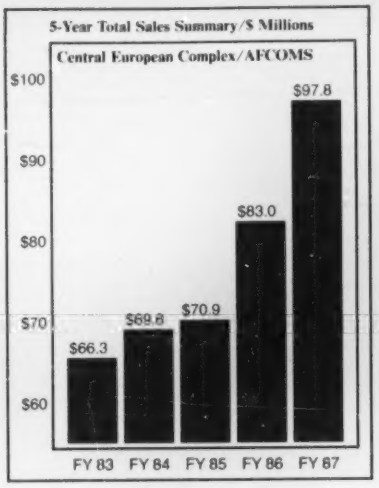
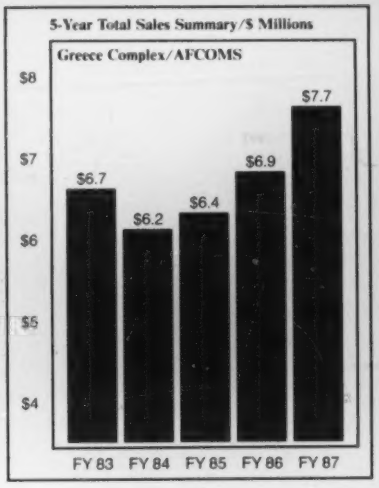


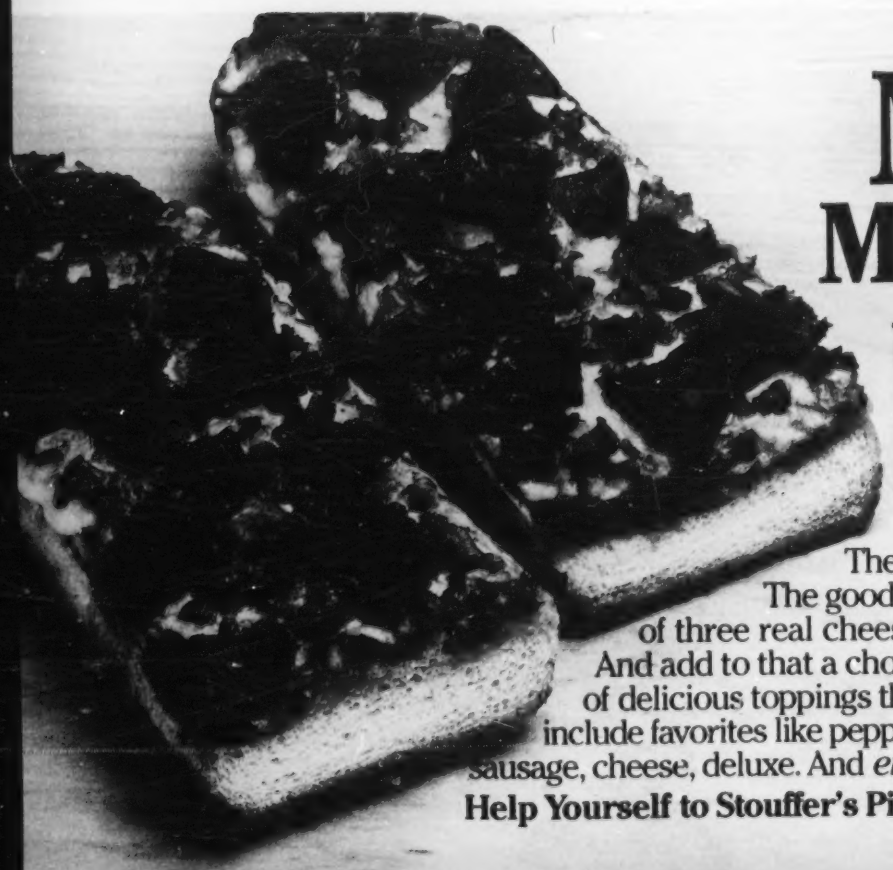




BELIEVE IT OR NOT

How many CONUS military commissaries there were in operation in FY87? The answer: 235.

Do you know how many overseas military commissaries there were in operation in FY87? The answer: 149.



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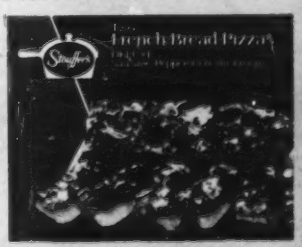

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87

Air Force Commissary Sales
(FY87)

Okinawa Complex/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Butler	6	14,728,937	82	13	5	9.7	15,681	78	1.32
Kadena	8	28,130,999	78	15	7	10.9	29,129	80	2.51
Kinser Whse Center	3	5,488,632	100	0	0	27.8	0	0	0.49
Makiminato	2	1,006,663	81	15	4	/c	9,525	9	0.09
Complex Totals		**$49,355,231**	**82%**	**12%**	**6%**	**7.4%**	**54,335**	**$76**	**4.41%**

Spain Complex/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Royal Oaks	1	730,682	100	0	0	21.4	1,315	46	0.07
Torrejon AB	5	9,230,209	85	10	5	7.2	15,839	49	0.82
Zaragoza	2	2,792,233	85	10	5	9.0	4,561	51	0.25
Complex Totals		**$12,753,124**	**86%**	**9%**	**5%**	**8.3%**	**21,715**	**$49**	**1.14%**

United Kingdom Complex/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
RAF Alconbury	4	7,189,849	80	14	6	11.8	22,257	27	0.64
RAF Bentwaters	4	8,774,351	81	13	6	4.5	12,979	56	0.78
RAF Burtonwood	1	208,274	100	0	0	/b	1,410	12	0.02
RAF Chicksands	2	2,666,014	81	14	5	5.7	7,036	32	0.24
RAF Fairford	2	2,885,542	79	15	6	5.6	8,392	29	0.26
RAF Greenham Common	3	3,859,611	80	13	7	16.1	7,252	44	0.34
RAF Lakenheath	6	15,220,077	81	14	5	4.4	16,540	77	1.36
RAF Menwith Hill	2	1,832,738	78	16	6	10.2	2,926	52	0.16
RAF Mildenhall	1	551,257	100	0	0	/a	2,325	20	/a
RAF Sculthorpe	1	366,666	100	0	0	39.9	3,148	10	0.03
RAF Upper Heyford	5	9,854,339	81	15	4	7.0	12,624	65	0.88
RAF Wethersfield	1	1,063,726	80	14	6	4.7	3,945	22	0.10
Complex Totals		**$54,472,444**	**81%**	**13%**	**6%**	**8.3%**	**100,834**	**$45**	**4.82%**

/a Less than 0.1%
/b Opened FY86.
/c Opened FY87.
n/a Totals not meaningful for comparison purposes.
* Data not available.

Store classes for Air Force commissaries are based upon total average monthly sales, as follows:

Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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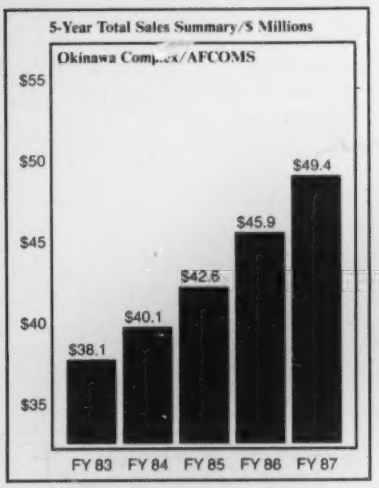
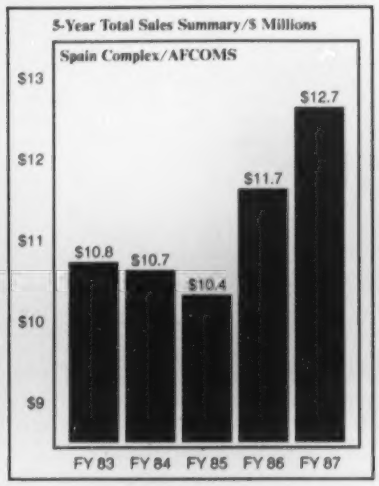
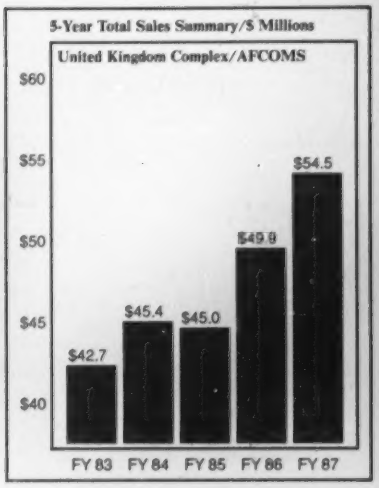
Air Force Commissary Sales
(FY87)







Non-Complex Stores Overseas/AFCOMS

Store	Store Class	Total Store $ Sales	% of Store Total Grocery	Meat	Produce	Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
Andersen AFB, Guam	6	16,788,108	79	14	7	3.5	19,462	72	1.50
Ankara, Turkey	2	2,583,864	89	7	4	20.5	10,856	20	0.23
Aviano AB, Italy	3	4,531,324	81	12	7	13.3	10,786	35	0.40
Clark AB, PI	8	28,494,988	82	11	7	0.9	23,730	100	2.55
Comiso AS, Italy	1	1,084,646	88	7	5	/c	10,422	9	0.10
Hickam AFB, HI	8	37,071,868	75	18	7	19.0	27,032	114	3.31
Incirlik, Turkey	3	5,180,707	88	8	4	6.4	13,540	32	0.46
Izmir, Turkey	2	2,146,777	89	8	3	-7.3	6,070	29	0.19
Kunsan AB, Korea	2	2,496,324	100	0	0	/c	4,752	44	0.22
Lajes Field, Azores	3	5,392,282	89	7	4	10.2	14,200	32	0.48
Misawa AB, Japan	6	12,062,336	80	13	7	19.8	22,496	45	1.08
Osan AB, Korea	7	18,972,660	75	18	7	2.7	20,250	78	1.69
San Vito AS, Italy	2	3,317,276	85	9	6	14.5	6,338	44	0.30
Soesterberg, NL	3	4,629,915	76	18	6	22.2	11,318	34	0.41
Yokota AB, Japan	6	14,076,091	80	15	5	-0.6	20,207	58	1.26
Regional Totals		**$158,829,166**	**n/a**	**n/a**	**n/a**	**n/a**	**221,459**	**$60**	**14.18%**
Overseas AFCOMS Totals		**$414,203,751**	**80%**	**14%**	**6%**	**9.6%**	**575,735**	**$60**	**36.99%**
Worldwide AFCOMS Totals		**$2,210,379,745**	**79%**	**16%**	**5%**	**4.3%**	**2,622,984**	**$70**	**44.61%**

Totals

AFCOMS	Total Store $ Sales	Grocery	Meat	Produce	Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
CONUS	1,796,175,994	78	17	5	3.1	2,047,249	73	46.83
Overseas	414,203,751	80	14	6	9.6	575,735	60	36.99
Worldwide	$2,210,379,745	79%	16%	5%	4.3%	2,622,984	$70	44.61%

Army Commissary Coupon Redemption
(FY87)

CONUS

Region	Number	% Share CONUS	% Share Worldwide	$ Value	% Share CONUS	%Share Worldwide
Midwest	20,300,000	31.7	29.3	10,228,687	31.7	29.3
Northeast	14,800,000	23.1	21.3	7,436,266	23.1	21.3
Southeast	20,400,000	31.8	29.4	10,272,920	31.9	29.5
Western	8,600,000	13.4	12.4	4,301,568	13.3	12.3
CONUS Totals	**64,100,000**	**100.0%**	**92.4%**	**$32,239,441**	**100.0%**	**92.4%**

Overseas

Region	Number	% Share Overseas	% Share Worldwide	$ Value	% Share Overseas	%Share Worldwide
Europe	5,200,000	100.0	7.6	2,606,898	100.0	7.6
Overseas Totals	**5,200,000**	**100.0%**	**7.6%**	**2,606,898**	**100.0%**	**7.6%**
Worldwide Totals	**69,300,000**	**–**	**100.0%**	**$34,846,339**	**–**	**100.0%**

Note: Data reported for Army commissaries do not reflect actual geographic distribution of coupon redemptions because official figures are reported by Region, with many stores in certain Regions actually operating overseas but reported in CONUS data, and vice-versa.

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Midwest Region/TSA

Store	Store Class	Total Store $ Sales	% of Store Total Grocery	Meat	Produce	Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
Ft. Ben Harrison, IN	6	17,025,814	81	14	5	0.7	14,145	100	0.44
Ft. Bliss, TX	8	52,412,368	81	15	4	4.3	31,093	140	1.37
Ft. Carson, CO	8	33,726,176	80	15	4	2.0	21,864	129	0.88
Fitzsimons AMC, CO	5	10,793,660	82	14	4	–4.3	8,712	103	0.28
Granite City AD, IL	6	14,705,089	82	14	4	0.2	20,789	59	0.38
Ft. Hood, TX	8	58,006,684	80	16	4	5.9	34,489	140	1.51
Ft. Leavenworth, KS	7	21,135,427	83	12	4	5.5	17,043	103	0.55
Ft. Leonard Wood, MO	7	20,508,880	84	11	4	5.5	14,910	115	0.53
Ft. Polk, LA	7	21,803,642	83	14	4	1.7	19,642	93	0.57
Ft. Riley, KS	7	21,235,048	82	14	4	5.0	23,500	75	0.55
Rock Island, IL	3	4,244,902	86	11	2	6.8	6,944	51	0.11
Ft. Sam Houston, TX	8	35,960,680	81	15	4	0.6	26,904	111	0.94
Selfridge ANG Base, MI	6	12,381,692	85	12	3	2.4	9,687	107	0.32
Ft. Sheridan, IL	4	7,890,770	87	10	3	–1.6	11,087	59	0.21
Ft. Sill, OK	8	31,204,216	80	15	5	–3.4	31,537	82	0.81
White Sands, NM	3	3,686,053	81	15	4	0.5	6,768	45	0.10
Region Totals		**$366,721,101**	**82%**	**14%**	**4%**	**2.6%**	**299,114**	**$102**	**9.56%**

/a Less than 0.1%
n/a Totals not meaningful for comparison purposes

Store classes for Army commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000
Class 2 $100,001–$300,000
Class 3 $300,001–$500,000
Class 4 $500,001–$750,000
Class 5 $750,001–$1,000,000
Class 6 $1,000,001–$1,500,000
Class 7 $1,500,001–$2,000,000
Class 8 Over $2,000,000

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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Army Commissary Sales
(FY87)

Northeast Region/TSA

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Aberdeen PG, MD	5	11,351,601	84	12	4	-3.3	14,229	66	0.30
ARDC (Picatinny), PA	2	2,728,074	83	13	4	0.4	4,080	56	0.07
Ft. Belvoir, VA	8	58,387,174	78	16	6	5.3	26,550	183	1.52
Cameron Station, VA	8	31,820,107	80	14	6	0.6	31,616	84	0.83
Carlisle Barracks, PA	5	10,116,578	82	13	5	1.6	11,312	75	0.26
Ft. Devens, MA	6	16,383,302	82	13	4	2.0	12,770	107	0.43
Ft. Drum, NY	4	8,369,783	83	13	4	24.0	4,347	160	0.22
Edgewood Arsenal, MD	3	5,863,833	84	12	4	-0.4	11,658	42	0.15
Ft. Hamilton, NY	5	9,056,771	87	9	4	-23.7	11,400	66	0.24
Ft. McNair, DC	3	5,789,753	81	14	5	-14.8	12,573	38	0.15
Ft. Meade, MD	8	42,323,268	80	16	4	22.7	28,800	122	1.10
Ft. Monmouth, NJ	7	18,138,071	82	13	5	/a	20,520	74	0.47
Ft. Myer, VA	7	20,808,855	80	14	5	-2.2	19,050	91	0.54
New Cumberland, PA	4	6,295,444	86	11	3	-2.4	16,298	32	0.16
Oakdale (C.E. Kelly), PA	4	6,871,922	84	13	3	-5.0	6,000	95	0.18
Ft. Ritchie, MD	4	6,719,908	82	14	4	-0.9	5,500	102	0.18
Seneca AD, NY	2	2,579,128	82	14	4	-6.1	3,866	56	0.07
Stewart AB, NY	3	4,268,198	82	14	4	1.2	5,900	60	0.11
Tobyhanna, PA	3	5,667,896	88	10	3	-0.3	9,000	52	0.15
Vint Hill Farms, VA	4	7,610,532	80	16	4	-4.0	8,088	78	0.20
Walter Reed AMC, DC	7	22,137,781	80	16	5	-7.5	25,000	74	0.58
West Point, NY	4	8,494,623	78	16	6	-1.0	5,290	134	0.22
Region Totals		**$311,782,602**	**81%**	**14%**	**5%**	**2.8%**	**293,847**	**$88**	**8.13%**

/a Less than 0.1%
n/a Totals not meaningful for comparison purposes

Store classes for Army commissaries are based upon total average monthly sales, as follows:

Class 1 Up to $100,000	Class 4 $500,001-$750,000	Class 7 $1,500,001-$2,000,000
Class 2 $100,001-$300,000	Class 5 $750,001-$1,000,000	Class 8 Over $2,000,000
Class 3 $300,001-$500,000	Class 6 $1,000,001-$1,500,000	

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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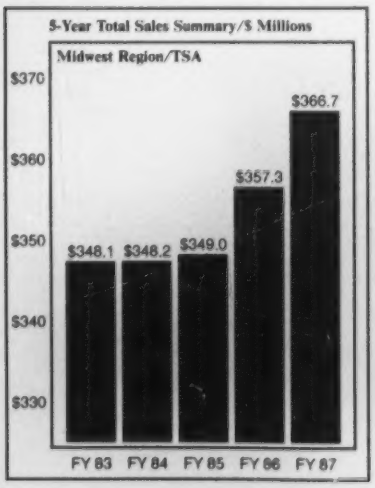

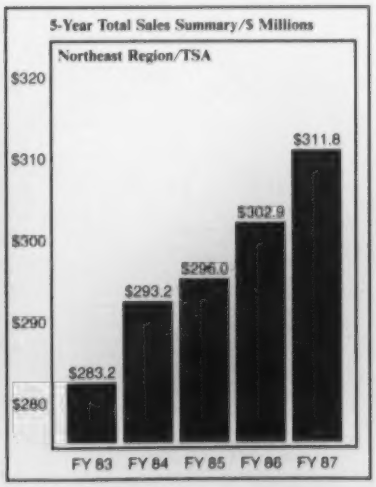

Army Commissary Sales
(FY87)

Southeast Region/TSA

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Ft. Benning, GA	8	39,804,953	81	15	4	2.7	32,723	101	1.04
Ft. Bragg, NC[1]	8	52,811,396	79	16	4	-1.0	49,141	90	1.38
Ft. Campbell, KY	8	38,530,663	81	15	4	3.0	25,436	126	1.00
Ft. Eustis, VA	7	20,045,718	82	14	4	-1.7	23,669	71	0.52
Ft. Gillem, GA[2]	7	22,520,563	82	14	3	-1.3	21,771	86	0.59
Ft. Gordon, GA	8	24,702,689	79	16	5	-1.6	22,184	93	0.64
Hunter AAF, GA	5	11,924,253	81	15	4	7.3	17,500	57	0.31
Ft. Jackson, SC	8	27,480,674	81	14	5	6.3	27,000	85	0.72
Ft. Knox, KY	8	33,304,900	81	15	4	0.8	29,530	94	0.87
Ft. Lee, VA	7	19,958,344	80	15	5	2.8	25,200	66	0.52
Lexington Blue Grass, KY	2	2,814,906	89	8	3	3.6	7,196	33	0.07
Ft. McClellan, AL	6	16,667,027	83	13	4	4.3	15,146	92	0.43
Ft. McPherson, GA[2]	3	5,306,325	84	12	5	-4.2	8,100	55	0.14
Camp Merrill, GA[2]	1	299,791	91	7	2	-0.7	451	55	0.01
Ft. Monroe, VA	4	7,545,229	81	14	5	-4.4	8,049	78	0.20
Redstone Arsenal, AL	7	23,534,634	81	14	5	3.7	21,035	93	0.61
Richmond DGSC, VA	3	5,558,995	80	15	5	2.0	12,586	37	0.14
Ft. Rucker, AL	7	20,750,439	82	14	4	7.6	22,260	78	0.54
Ft. Stewart, GA	6	17,067,870	79	16	5	7.8	27,767	51	0.45
Region Totals[3]		**$390,629,369**	**81%**	**15%**	**4%**	**2.1%**	**396,744**	**$82**	**10.19%**

[1]Biggs, NC commissary operating through the Ft. Bragg, NC commissary closed July 12, 1987.
[2]Ft. McPherson and Camp Merrill, GA commissaries changed to operating through Ft. Gillem commissary March 30, 1987.
[3]Excludes sales for Ft. Buchanan, PR, which are reported in overseas data.

Western Region/TSA

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Dugway Prov. Grnds., UT	2	1,823,80	84	10	5	5.0	7,056	22	0.05
Ft. Huachuca, AZ	6	16,813,49	80	16	4	0.1	19,709	71	0.44
Ft. Irwin, CA	3	4,989,25	83	12	5	11.4	5,554	75	0.13
Ft. Lewis, WA	8	46,964,36	82	14	5	13.3	30,280	129	1.22
Oakland AB, CA	4	6,179,57	83	13	4	-15.5	3,072	168	0.16
Ft. Ord, CA	8	37,309,88	81	16	4	2.0	18,190	171	0.97
Presidio of S.F., CA	7	18,082,94	79	16	6	-3.4	23,264	65	0.47
Sierra AD, CA	2	2,006,41	84	13	3	2.1	4,500	37	0.05
Yuma Prov. Grnds., AZ	2	2,079,75	85	11	4	4.1	5,995	29	0.05
Region Totals*		**$136,249,50**	**81%**	**15%**	**4%**	**4.6%**	**117,620**	**$97**	**3.55%**
CONUS TSA Totals		**$1,205,382,577**	**82%**	**14%**	**4%**	**2.7%**	**1,107,325**	**$91**	**31.43%**

*Excludes sales for Richardson, Greely and Wainwright, AK, and Schofield Barracks, HI, which are reported in overseas data.
/a Less than 0.1%
n/a Totals not meaningful for comparison purposes

Store classes for Army commissaries are based upon total average monthly sales, as follows:

Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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Army Commissary Sales
(FY87)

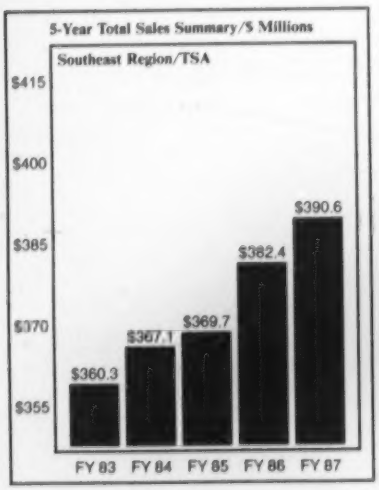
Midwest Region/Panama-TSA

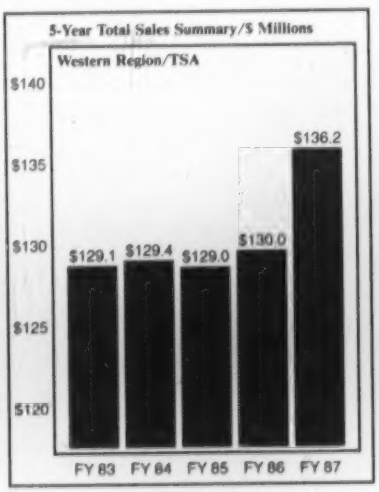
Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Corozal	7	22,227,019	81	14	4	6.3	11,564	160	1.99
Ft. Gulick/Espinar	2	3,438,349	82	13	5	5.8	5,200	55	0.31
Ft. Kobbe/Howard	4	7,053,895	83	13	4	6.4	5,400	109	0.63
Central Dist. Ctr.	1	964,469	100	0	0	10.9	n/a	n/a	0.09
Panama Totals		**$33,683,732**	**82%**	**13%**	**4%**	**6.4%**	**22,164**	**$126**	**3.01%**

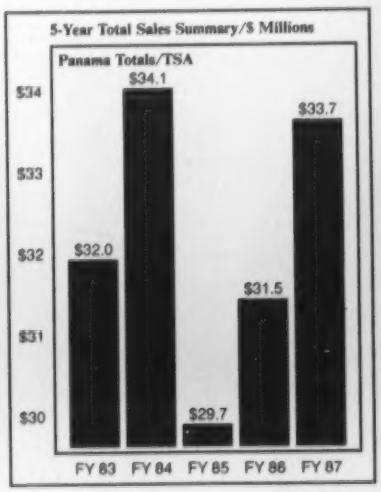
Southeast Region/Puerto Rico-TSA

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Ft. Buchanan	7	$23,095,106	95%	0%	5%	3.8%	18,084	$106	2.06%

Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.







Army Commissary Sales
(FY87)

Western Region/Alaska, Hawaii, & Korea-TSA

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Ft. Greely, AK	2	2,180,630	79	14	6	-0.7	6,290	29	0.19
Pusan, Korea	2	2,257,607	84	8	8	1.7	4,855	39	0.20
Ft. Richardson, AK	6	13,039,577	81	13	6	10.8	15,713	69	1.16
Sagamihara, Japan[1]	4	7,964,670	84	10	6	15.5	15,685	42	0.71
Schofield Barracks, HI	8	32,997,872	80	14	6	6.6	31,452	87	2.95
Taegu, Korea	4	6,806,071	86	7	6	8.7	8,435	67	0.61
Ft. Wainwright, AK	4	9,024,096	80	15	5	7.4	8,066	93	0.81
Yongsan, Korea[2]	8	36,458,161	85	10	5	11.4	31,798	96	3.26
Western (Overseas) Totals		**$110,728,684**	**83%**	**12%**	**6%**	**9.2%**	**122,294**	**$75**	**9.89%**

[1]Akizuki Depot, Japan commissary operating through the Sagamihara commissary opened November 15, 1986 and was disestablished during the fiscal year.
[2]Camp Page, Korea commissary operating through Yongsan commissary opened August 19, 1987.
/a Less than 0.1%.
n/a Totals not meaningful for comparison purposes.

Store classes for Army commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

European Region/TSA

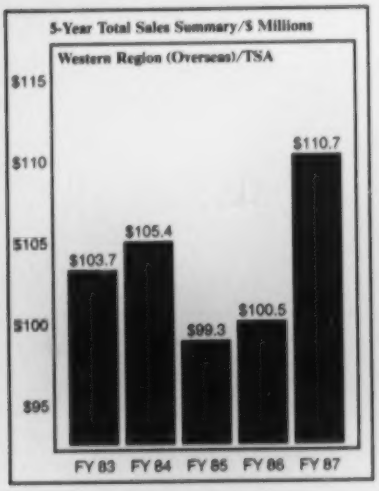
Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Amberg, FRG	2	1,407,799	84	11	5	8.3	2,640	44	0.13
Ansbach, FRG	4	7,066,574	82	13	5	14.9	11,361	52	0.63
Aschaffenberg, FRG	3	5,492,246	83	12	5	5.5	10,721	43	0.49
Augsburg, FRG	5	10,529,529	82	13	5	10.6	11,428	77	0.94
Bad Aibling, FRG	2	1,237,734	81	12	7	21.7	4,250	24	0.11
Bad Hersfeld, FRG	2	1,210,084	85	11	4	1.3	3,390	30	0.11
Bad Kissingen, FRG	2	1,596,801	84	11	5	4.1	2,347	57	0.14
Bad Kreuznach, FRG	3	5,593,704	82	13	5	12.8	9,410	50	0.50
Bad Nauheim, FRG	2	3,332,758	83	13	5	8.8	6,176	45	0.30
Bad Toelz, FRG	2	1,383,409	79	14	7	17.2	4,572	25	0.12
Bamberg, FRG	4	7,924,905	82	14	4	9.4	9,056	73	0.71
Baumholder, FRG	5	10,466,970	82	13	5	11.1	16,490	53	0.93
Berchtesgaden, FRG	2	1,217,341	85	14	2	-4.9	2,875	35	0.11
Berlin, FRG	6	12,702,741	78	14	7	11.5	17,100	62	1.13
Bindlach, FRG	2	1,462,218	85	11	4	23.1	2,244	54	0.13
Bremerhaven, FRG	5	11,536,140	84	12	4	11.8	19,152	50	1.03
Cairo, Egypt	2	1,896,699	95	0	5	21.2	3,253	49	0.17
Chievres, Belgium	4	7,579,840	80	15	5	18.5	10,581	60	0.68
Crailsheim, FRG	1	1,042,039	82	13	5	6.6	2,390	36	0.09
Darmstadt, FRG	4	7,195,647	81	15	4	8.8	12,239	49	0.64
Dhahran, Saudi Arabia	1	831,999	96	0	4	-7.3	4,544	15	0.07
Erlangen, FRG	2	2,497,930	85	11	4	10.9	3,896	53	0.22
Frankfurt, FRG	7	19,123,962	80	14	7	5.7	18,768	85	1.71
Fuerth, FRG	6	17,960,886	81	14	4	10.1	15,378	97	1.60
Fulda, FRG	3	4,802,286	81	14	5	10.5	6,719	80	0.43

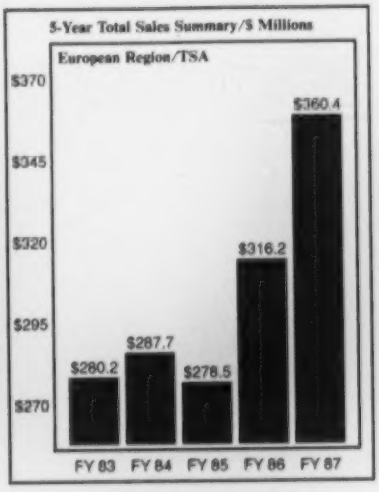
Continued on page 102

/a Less than 0.1%.
n/a Totals not meaningful for comparison purposes.

Store classes for Army commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

Army Commissary Sales
(FY87)





Notes: All sales data are preliminary and unaudited, and exclude the 5% commissary surcharge. The ACV (All Commodity Volume) in the extreme right column shows each individual commissary's or management area's FY87 sales total as a percentage of separately combined CONUS (Continental U.S.) and overseas sales of all Air Force, Army, Marine Corps and Navy commissaries. Sales at stores in Alaska, Hawaii, and other locations not contiguous with the 48 continental United States are classed and reported with overseas data. Details may not add to 100 percent due to rounding.

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Army Commissary Sales
(FY87)

OVERSEAS

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Garmisch, FRG	2	1,273,418	82	12	6	14.5	3,315	32	0.11
Gelnhausen, FRG	3	4,327,577	86	10	4	3.5	9,071	40	0.39
Giessen, FRG	6	13,321,903	83	14	4	11.2	20,962	53	1.19
Goeppingen, FRG	2	2,471,025	83	11	6	12.6	2,547	81	0.22
Grafenwoehr, FRG	4	6,243,701	82	13	6	17.7	11,091	47	0.56
Hanau, FRG	6	16,857,752	80	14	6	31.1	23,580	60	1.51
Heidelberg, FRG	6	15,747,771	79	15	6	10.5	18,910	69	1.41
Heilbronn, FRG	3	5,200,115	82	13	5	11.0	9,328	46	0.46
Hohenfels, FRG	2	1,464,175	84	11	4	22.8	3,390	36	0.13
Illesheim, FRG	2	2,134,258	83	13	4	0.7	4,701	38	0.19
Karlsruhe, FRG	4	7,085,316	82	13	5	8.6	15,197	39	0.63
Kelley Barracks, FRG	3	4,227,944	80	14	6	13.6	9,153	38	0.38
Kitzingen, FRG	4	6,109,338	80	15	5	11.4	9,353	54	0.55
Livorno, Italy	2	3,365,796	80	15	5	19.0	5,540	51	0.30
Ludwigsburg, FRG	2	2,988,944	82	13	5	19.0	4,426	56	0.27
Mainz, FRG	3	5,999,787	80	15	5	16.7	2,990	167	0.54
Mannheim, FRG	6	13,493,542	79	15	5	8.4	9,277	121	1.21
Munich, FRG	3	5,849,155	78	15	7	11.4	10,580	46	0.52
Neu Ulm, FRG	3	4,439,945	80	16	4	17.6	5,717	65	0.40
Patch Barracks, FRG	4	6,737,197	79	16	5	11.0	4,464	126	0.60
Pirmasens, FRG	3	5,269,481	82	13	5	10.0	7,209	61	0.47
Riyadh, Saudi Arabia	2	2,591,049	95	0	5	-22.1	4,507	48	0.23
Robinson Barracks, FRG	5	9,756,018	80	15	5	12.1	10,735	76	0.87
Schinnen, NL[1]	3	5,754,635	80	15	5	20.4	11,053	43	0.51
Schwaebisch Gmuend, FRG	2	2,465,370	84	12	5	10.4	4,222	49	0.22
Schwaebisch Hall, FRG	2	1,298,331	83	12	5	14.7	3,816	28	0.12
Schweinfurt, FRG	5	9,022,754	81	14	5	9.3	12,880	58	0.81
Vicenza, Italy	4	6,634,556	79	15	6	17.1	3,732	148	0.59
Wertheim, FRG	2	1,628,009	81	14	5	7.9	3,617	38	0.15
Weisbaden, FRG	7	18,136,829	80	14	6	16.1	2,698	119	1.62
Wildflecken, FRG	2	3,312,604	83	12	5	10.5	5,272	52	0.30
Worms, FRG	2	3,249,716	81	14	5	11.5	7,125	38	0.29
Wuerzburg, FRG[2]	4	8,858,607	83	13	4	17.5	8,100	91	0.79
Zweibruecken, FRG	4	6,023,321	80	15	5	11.5	9,430	53	0.54
Region Totals		**$360,432,182**	**81%**	**14%**	**5%**	**12.2%**	**498,970**	**$60**	**32.19%**
Overseas TSA Totals		**$527,939,704**	**82%**	**13%**	**5%**	**10.9%**	**661,512**	**$66**	**47.15%**
Worldwide TSA Totals		**$1,733,322,281**	**81%**	**14%**	**5%**	**5.2%**	**1,768,837**	**$82**	**34.98%**

[1]Rheinburg, FRG commissary operating through Schinnen, NL commissary opened June 10, 1987.
[2]Giebelstadt, FRG commissary operating through Wuerzburg commissary opened December 23, 1986.
/a Less than 0.1%.
n/a Totals not meaningful for comparison purposes.

Store classes for Army commissaries are based upon total average monthly sales, as follows:
Class 1 Up to $100,000 | Class 4 $500,001-$750,000 | Class 7 $1,500,001-$2,000,000
Class 2 $100,001-$300,000 | Class 5 $750,001-$1,000,000 | Class 8 Over $2,000,000
Class 3 $300,001-$500,000 | Class 6 $1,000,001-$1,500,000

Totals

TSA	Total Store $ Sales	Grocery	Meat	Produce	Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
CONUS	1,205,382,577	82	14	4	2.7	1,107,325	91	31.43
Overseas	527,939,704	82	13	5	10.9	661,512	66	47.15
Worldwide	$1,733,322,281	81%	14%	5%	5.2%	1,768,837	$82	34.98%

Marine Corps Commissary Sales
(FY87)

Marine Corps Commissary Coupon Redemptions
(FY87)

CONUS

Store	Number	% Share CONUS	% Share Worldwide	$ Value	% Share CONUS	%Share Worldwide
Albany, GA	252,516	4.3	4.1	78,895	4.3	4.0
Barstow, CA	119,421	2.1	1.9	38,112	2.1	1.9
Camp Pendleton, CA	822,240	14.2	13.3	263,927	14.3	13.5
Cherry Point, NC	632,098	11.0	10.3	206,212	11.2	10.5
El Toro, CA	1,115,295	19.2	18.2	363,300	19.7	18.6
Hadnot Point, NC	497,854	8.6	8.1	151,922	8.2	7.8
New River, NC	81,046	1.4	1.3	25,713	1.4	1.3
Parris Island, SC	313,952	5.4	5.1	96,031	5.2	4.9
Quantico, VA	925,819	16.0	15.1	288,067	15.6	14.7
San Onofre, CA	153,204	2.6	2.5	49,164	2.7	2.5
Tarawa Terrace, NC	516,083	8.9	8.4	159,420	8.7	8.3
Twentynine Palms, CA	215,618	3.7	3.5	71,987	3.9	3.7
Yuma, AZ	148,496	2.6	2.6	49,824	2.7	2.5
CONUS Totals	**5,793,644**	**100.0%**	**94.4%**	**$1,842,574**	**100.0%**	**94.2%**

Overseas

Store	Number	% Share Overseas	% Share Worldwide	$ Value	% Share Overseas	%Share Worldwide
Iwakuni, Japan	33,416	9.7	0.5	9,703	8.6	0.5
Kaneohe Bay, HI	311,197	90.3	5.1	103,281	91.4	5.3
Overseas Totals	**344,613**	**100.0**	**5.6**	**112,994**	**100.0**	**5.8**
Worldwide Totals	**6,138,257**	**–**	**100.0%**	**$1,955,558**	**–**	**100.0%**

East Coast Complex/USMC

Store	Store Class	Total Store $ Sales	% of Store Total			Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
			Grocery	Meat	Produce				
Albany, GA	3	5,747,568	75	19	6	2.7	3,980	34	0.15
Hadnot Point, NC	6	13,071,030	79	17	4	0.3	16,627	66	0.34
Tarawa Terrace, NC	6	14,649,231	78	17	5	4.5	23,680	52	0.38
Cherry Point, NC	6	17,318,989	78	17	5	4.1	18,655	77	0.45
New River, NC	2	3,391,580	80	15	5	5.2	6,344	45	0.09
Parris Island, SC	4	7,993,180	78	16	6	–1.0	11,500	8	0.21
Quantico, VA	7	21,012,386	78	17	5	–5.2	19,500	90	0.55
Complex Totals		**$83,183,964**	**78%**	**17%**	**5%**	**0.7%**	**110,286**	**$63**	**2.17%**

Marine Corps Commissary Sales
(FY87)

West Coast Complex/USMC

Store	Store Class	Total Store $ Sales	% of Store Total Grocery	Meat	Produce	Total Sales % Change vs. FY86	Total Sq. Ft. Sales Area	Avg. Mo. $ Sales/ Sq. Ft.	ACV
Barstow, CA	2	3,455,475	77	17	6	3.6	9,000	32	0.09
Camp Pendleton, CA	7	23,021,841	74	18	8	4.2	26,000	74	0.60
San Onofre, CA	3	4,382,692	78	15	7	8.6	8,700	42	0.11
El Toro, CA	7	23,212,460	77	16	7	-0.6	25,000	77	0.61
Twentynine Palms, CA	4	7,850,973	75	19	6	4.2	9,700	67	0.20
Yuma, AZ	4	6,514,980	80	15	5	1.8	10,400	52	0.17
Complex Totals		**$68,438,421**	**76%**	**17%**	**7%**	**2.6%**	**88,800**	**$64**	**1.78%**
CONUS USMC Totals		**$151,622,385**	**77%**	**17%**	**6%**	**1.6%**	**199,086**	**$63**	**3.95%**

/a Less than 0.1%.
n/a Totals not meaningful for comparison purposes.

Store classes for Marine Corps commissaries are based upon total average monthly sales, as follows:

Class 1 Up to $100,000
Class 2 $100,001-$300,000
Class 3 $300,001-$500,000
Class 4 $500,001-$750,000
Class 5 $750,001-$1,000,000
Class 6 $1,000,001-$1,500,000
Class 7 $1,500,001-$2,000,000
Class 8 Over $2,000,000

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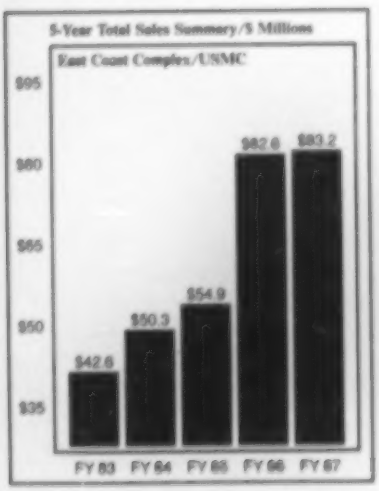

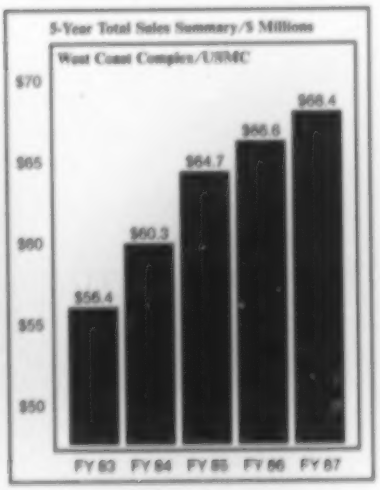

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A PEEK THROUGH THE PIPELINE

The European Commissary Business

Also In This Issue:

- The Military Distributor
- Alcoholic Beverages
- Seafood Marketing

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EDITORIAL
ALA VIEWPOINT
BY A. KOLBET SCHRICHTE 7

COMMISSARIES IN EUROPE
A PEEK THROUGH THE PIPELINE: THE EUROPEAN COMMISSARY BUSINESS
BY ALAN GOLDSTEIN 18
The most critical attribute of the European military market is "The Pipeline."

THE MILITARY DISTRIBUTOR
DISTRIBUTORS AND MILITARY SUPPLY: THE VITAL LINK
BY FRANCES E. KUECKER 32
Wholesaler-distributors have been key participants in the military marketing channels for a long time.

ALCOHOLIC BEVERAGES
SHOPPETTES AND PACKAGE STORES: TRANSITIONS FOR ALCOHOLIC BEVERAGES
BY KATHY BOYLE 43
A look at the changes taking place in the world of package stores.

SEAFOOD MARKETING
FISH FORECAST: UNCHARTERED WATERS AHEAD
BY JOSEPH C. DAWSON 50
Dynamic changes are occurring within the fish industry.

FACTS & FIGURES
ALA'S ANNUAL MILITARY BROKER DIRECTORY 59
ALA'S ANNUAL MILITARY DISTRIBUTOR DIRECTORY 81
Updated, one-of-a-kind marketing information resources.

DEPARTMENTS

What's Breaking . . . 9
The Acronym Blizzard 13
Professional Meetings Calendar 15
The Association 17
Advertisers Index/ Chapter Presidents 104

Shoppettes & Package Stores: Transitions for Alcoholic Beverages

BY KATHY BOYLE

In an effort to run more streamlined operations in the military, Congress asked each service to take a look at its revenue-producing Morale, Welfare and Recreation (MWR) activities in hopes of identifying ideas on how to achieve this goal in some of its programs. Most recently, a proposal is now under review to merge the independently-run Army and Air Force package stores under the Army and Air Force Exchange Service (AAFES). AAFES claim they can substantially increase package store profits—a whopping 20.4 percent! Considering that package store profits are earmarked for military recreational activities, this claim is very tempting.

Whatever the outcome, the Army and Air Force are taking action. They are busy instituting a number of their own changes in package stores to cut down expenses, reduce construction costs and streamline operations. These changes alone should substantially increase package store profits, whether or not the transition to AAFES ever takes place. In fact, changes recently instituted by the Army should save $5.28 million in future construction costs of Army package stores.

Kathy Boyle is a Washington, D.C.-based freelance writer. She writes widely on retail subjects for several well-known national trade publications.

Navy Transition Smooth

The AAFES transfer proposal comes on the heels of last year's rather smooth transition of Navy package stores from the recreational side. In October 1987, the Navy's 108 package stores were transferred to the Navy resale side, explains Maureen Murray, public affairs specialist, Navy Resale and Services Support Office (NAVRESSO). Before that time, they

were under the Navy Military Personnel Command. "The transition has been smooth. We always had the beer and soda, but we did not have liquor." "It has been a smooth transition," agrees Tom Moore, director of military sales for Anheuser-Busch, Inc., St. Louis, MO.

According to Murray, package stores have remained more or less intact, just with new management. The exception has been the larger Naval stations, such as Norfolk and San Diego, where package stores were merged with existing mini-marts for better operating efficiency. "These newly merged centers have been designated 'party centers'," says Murray. "In some cases, we merely re-allocated space to make room, and added larger refrigeration units to the mini-marts."

Since the changeover, NAVRESSO has tried to assess changes in sales and profits. "What we did was compare the same time periods, October to January, for 1986 and 1987, but we added in sales for beer which we already sold," explains Murray. Doing this, sales did not change significantly: beer sales went from $53.6 million in January 1987 to $54.6 million in January 1988. This reflects a sales increase of only 1.9 percent. Profits, however, were a different story. "We had a 14.9 percent increase in net profit," says Murray. NAVRESSO attributes most of this dramatic increase to streamlining of operations.

Murray also notes that all profits from package stores continue to flow to the base commander who distributes the funds to MWR activities as he or she sees fit.

Is Transfer An Opportunity?

As more alcohol items are carried in shoppettes, and shoppette and package store operations are combined, there are a number of growing opportunities for distributors. At The House of Seagrams, New York, NY, Erik Nielsen, director of military sales worldwide, notes that "In April, AAFES put our new Seagrams Natural Peach Wine Cooler and Original Wild Berries Wine Cooler in its shoppettes. The results are very encouraging." Nielsen noted that these items were in most package stores already, but the addition to the shoppettes gives Seagrams a new growth opportunity.

Others are not as optimistic. Beer manufacturers, in particular, who under the old system had two outlets on the bases in the U.S., now may be cut back to one distribution point. "We of course are concerned that we will lose distribution points as the military moves to combine shoppettes with the smaller package stores. It may cut down on sales," fears Robert A. Kornack, military manager, Miller Brewing Co., Milwaukee, WI.

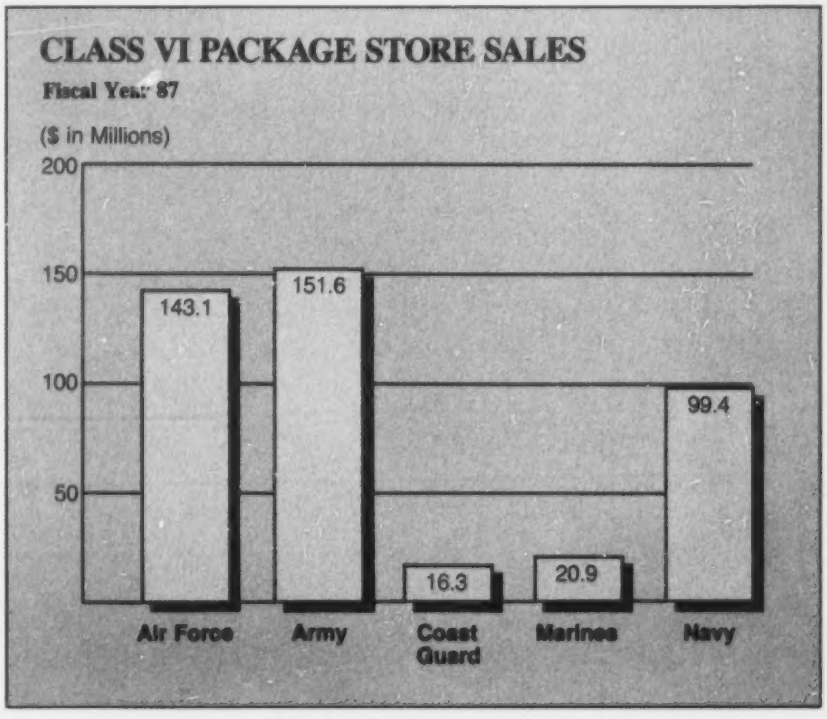
Others worry that under the combined system, shoppettes may not carry the full lines or depth of product selection that a package store might carry. For example, a shoppette may not bother to carry half- and quarter-barrel kegs which the package stores carries. Or, they may not carry a full line of returnable and non-returnable items.

Observers point out that even when the new shoppette doubles the refrigerated cooler space, the new coolers may not equal the combined total of the former package store and smaller shoppette.

Although the larger brewers would probably not suffer as greatly from limited shelf-space, smaller brewers may see more pressure on their brands to perform. Limited shelf space will certainly mean less selection for military personnel—in some circumstances forcing them off-base to find their favorite, but less well-known brand. "We must make sure people are given a choice of regional and national brands," says Tom Macauley, director, national retail sales for G. Heileman, LaCross, WI. "It is good from the competitive standpoint for the package stores. And, customers should have a choice—whether it is premium brands, popular brands, super premium, or imported."

On the positive side, of course, some package stores which face closing may be old, unappealing, and outdated facilities. The newly combined shoppette-package store may be a far more attractive and inviting facility to customers. The new facility, in fact, could invite more business. Although this is yet to be proved.

"The important thing for package stores is proper merchandising," says Laddie Weiss, vice president of national accounts for The House of Seagrams. "Premium brands are the key to profitability. People are drinking less, but they are drinking better. They are more



conscious of quality. And, this trend is increasing. To make it advantageous to everyone, prime space should be given to the brands which give the most profit."

Cost-Saving Measures

While Congress debates whether to pass the fiscal year 1989 military authorization bill with the proposed change to move package stores to AAFES, both the Army and the Air Force are moving ahead with their own cost-saving programs.

In the Army, package stores fall under the domain of the U.S. Army Community and Family Support Center (USACFSC). Over a year ago, Army package stores were given a central focal point, under one program manager, at USACFSC. Actual authority for package stores, however, is still retained at the installation level.

Through this central office, a number of extremely useful cost-saving ideas have gotten off to a good start. First, since October 1987 the Army has been ordering new point-of-sale equipment. It is expected to increase efficiency in most package stores. It should, for example, reduce the task of inventory to a four-hour job for one person, versus the old system where a large number of people were brought in after the store closed—taking many hours, all at over-time rates.

In addition, the Army has adopted the same cash register system as the Air Force. Doing so, it was able to hitch onto the work already done by the Air Force in soliciting the kind of cash register systems that would be best for their package stores. And now, both services purchase cash register equipment through a joint central purchase program hosted by the Air Force at Randolph Air Force Base, TX.

Besides inventory, the new cash register system can sort orders by supplier. The package store manager simply prints out the items to be re-ordered on a list complete with suppliers' addresses. Then the manager merely writes or phones the package store's order to the proper supplier. In the future, as modems are added, the system is capable of doing computer-to-computer ordering, which should ultimately reduce costs further.

On the construction side, the Army hired a consulting firm—at a total cost of $149,000—to analyze base requests for new package stores. To date, this analysis has resulted in net savings of $5.28 million. The consulting firm visited each proposed new construction site, looked at operations and decided whether the base actually needed a new store; if so, where it should be located; how big it should be; what percentage should be retail selling space; and what percentage should be storage space.

For the 12 projects slated for construction in the 1989 to 1993 time frame alone, the firm recommended avoiding $5.28 million in construction costs. In some cases they found that the base did not need to build a new store. In such cases, the existing package store already had the best location on the base, and all that was required was renovation of the existing location.

The Lion's Share

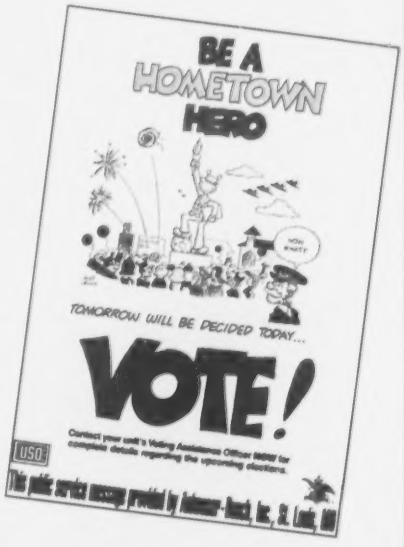
In terms of sheer sales volume, beer is more than 5 1/2 times larger in sales than wine and distilled spirits combined. Yet, with more than 80 million Americans drinking beer, the beer market is a segmented one. Most companies have their faithful, standard brands, but new market niches are filled as soon as they appear. For example, Chuck Garner, military sales manager for Coors, explained that their traditional Coors and Coors Lite—now sold in 49 states—have recently been joined by Coors Extra Gold, to be rolled out in all markets this year.

A "Special Assignment"

Beetle Bailey, the comic strip G.I. featured in over 1,600 daily newspapers worldwide, recently received a "special assignment" from Anheuser-Busch, Inc. in cooperation with the United States Department of Defense. In a special presentation ceremony to U.S. Secretary of Defense Frank C. Carlucci, at the Pentagon, Thomas L. Moore, director of military sales for Anheuser-Busch, recently revealed Beetle Bailey in his new role as spokesperson for the current Armed Forces' "Get Out the Vote" campaign.

The campaign utilizes posters and counter cards featuring Beetle Bailey in an effort to register military personnel stationed away from home to vote by absentee ballot. At the direction of Anheuser-Busch, Inc., cartoonist Mort Walker was asked to create the original artwork to assist the U.S. Armed Forces in this massive Public Service campaign.

"There is a great need for an effective voter awareness campaign among the military," says Moore, himself a retired Air Force Colonel. "Military personnel are usually on the move," he says, "and it's understandable that their voting privileges may not be top-of-the-mind until just before election time. Unfortunately, several states require that absentee voter registration be requested as much as 40 days prior to the election."



Anheuser-Busch is distributing thousands of posters and counter cards and over one million absentee voter information pamphlets through its network of wholesalers. The wholesalers are responsible for coordinating the campaign with local military base voting officers. In addition to on-site assistance, Anheuser-Busch wholesalers are providing additional support and media coverage through press releases and specially prepared TV and radio public service messages. ■

Also, new to some markets are several other Coors products. Among them, for instance, are Herman Joseph Original Draft, and Herman Joseph Original Lite. Garner explains that these products fill the demand for bottled draft. And, on the ale side, Coors manufactures George Killian Irish Red ale.

Coors has even gone so far as to produce a seasonal product named Winterfest—manufactured only during the winter holiday season. "Winterfest is new," says Garner. "It is a heavy German-type beer, and this past winter is only the second year we have distributed it."

Since the beginning of June, Coors has begun distributing a malt liquor—Turbo 1000. "It is brand new, and will be available on all bases this summer," notes Garner.

Similarly, Anheuser-Busch's family of nine naturally-brewed beers and three high-quality imports are positioned to take advantage of various market niches. The Anheuser-Busch product line includes the largest selling beer in the world, Budweiser, as well as specialized products like Michelob, Classic Dark, and King Cobra malt liquor. LA, its reduced alcohol beer, has been marketed since 1984, to provide an alternative to consumers who choose to be more moderate in their consumption of beer. Says Anheuser-Busch's Moore, "It still has pretty good distribution in the military, even considering that the military customer seems to prefer the full-strength of light beer."

One company to pursue a very successful strategy of concentrating on regional brands is G. Heileman Brewing Company. "We concentrate primarily on our regional brands," explains Macauley of G. Heileman. "In the Northwest it's Ranier Beer, in the central states it's Old Style, in Texas it's Lone Star, and in Minnesota, western Wisconsin and northern Iowa it's Schmidt's." Macauley notes that G. Heileman markets its Colt 45 brand nationally, but the other brands pursue a regional marketing strategy.

To draw attention to its products regionally, G. Heileman is currently running two promotions, equally promoted to the military market. "In our Old Style markets we are running a 'Reach for the Best—Win a Porsche' program. Customers can win a Porsche 924 instantly if the bottom of the inside of the bottle says 'CAR'," explains Macauley. In G. Heileman's Ranier Beer market, they are running a "Ranier Mountain of Gold" contest to win $100,000 in gold.

Wine and Water

The wine cooler and specialty bottled waters market has had some shaking out in recent times. Anheuser-Busch, for example, restructured its non-beer beverage group in 1987, selling its interests in Saratoga and à Santé mineral water and natural flavored soda, Zelter Seltzer. The company will continue to market Master Cellars Keg wines since that line provides full-service draft capability to Anheuser-Busch's wholesalers and retailers. And, Anheuser-Busch will continue to sell two other imported products, Anheuser & Fehrs German Wines and Ballygowan Irish Spring Mineral Water.

NAVRESSO attributes most of its dramatic increase in profits to streamlining of operations.

In this competitive market, companies are using some very creative strategies. Targeting younger drinkers, White Mountain Cooler—a product of the Colorado Cooler Company, a wholly-owned subsidiary of The Stroh Brewery Company—is using a new advertising campaign featuring hot, young, up-and-coming comedians performing their own comic material. "This is not scripted product-sell with a humorous slant, but real comedy routines brought to the public by White Mountain Cooler," says Jovan Jovanovski, brand director for White Mountain Cooler.

Many of the comedians selected—Rich Jeni, Dom Irrera, Joe Bolster and Dennis Wolfberg—have rejuvenated and re-popularized stand-up comedy by their appearances around the country in comedy clubs, on the Carson and Letterman Shows, and on HBO and Showtime comedy specials, explains Jovanovski.

The wine market also continues to expand with new products. For example, in July 1987 the E. & J. Gallo Winery, America's leading winery, introduced Blush Chablis, and in February 1988 they released new vintage varietals.

Concerts and Scholarships

To specifically draw the attention of military customers, a number of companies have started to fund military scholarships and certain authorized recreational activities. Although their products are distributed locally to military bases, manufacturers work directly with their distributors to offer the best possible programs for the military customer. "We have sponsored through our local wholesaler a concert at Fort Bragg, for example," says Garner of Coors.

Other suppliers are more reluctant to sponsor events because of the conflict the sponsorship may pose to alcohol awareness. "Periodically we sponsor events," says Macauley of G. Heileman, "but because of greater alcohol awareness, particularly in the military, we do not do a lot of corporate promotions in the military."

Coors is very proud of its Coors Scholarship Program targeted at the military. "We offer 100 scholarships which total a half-million dollars," notes Garner. The program which Coors has sponsored since 1985 is open to any dependent of an active military or honorably discharged veteran.

The Future Approach

Whichever way Congress decides, the military services will continue to streamline operations in package stores. The future approach will be to combine operations where possible and to remodel instead of rebuilding. This will result in reduced shelf space for products, putting greater pressure on brands to perform. ■

Fish Forecast: Uncharted

Waters Ahead

In the Winter 1986 issue, Interservice *reported on the dynamic changes occurring within the fish industry. This article takes a look at what has happened since, and some new currents in the market.*

BY JOSEPH C. DAWSON

For a fisherman, heaven is a great catch.

For those who sell fish to commissaries, heaven is an expanding market.

And that's where military fish vendors have been for the past two years, thanks to increasing patron demand and new technology, and despite higher prices. But whether they will remain within the pearly gates depends upon a host of factors—including higher prices, how the public perceives the safety of fish, availability of supplies, possible government regulations, and a meat industry that is in the midst of a major overhaul.

To understand the present state of the fish industry as a whole, take a look at what has been happening in the civilian sector:

- On a per capita basis, fish consumption set a record 14.7 pounds in 1986. According to the Agriculture Department, consumer demand has been rising at a rate of 20 percent per year in the past four years. This increase has taken place despite price increases that are in some cases 50 percent higher.
- Fish *imports* are now at record $6 billion a year, a hefty increase of well over 200 percent since 1980, according

Joseph C. Dawson is a Washington, D.C.-based freelance writer who writes frequently on food issues.

FROZEN FISH AND SEAFOOD
12 MONTH ENDING FEBRUARY 1988
Total Military

	Unit Sales*	% Share of Units	Dollar Sales
Total Sticks + Fillets	435,376	47.7%	11,891 M
Total Raw	254,199	27.9%	8,096 M
Total Specialty	126,757	13.9%	4,632 M
Total Entrees	70,357	7.7%	1,641 M
All Other Processed	25,359	2.8%	724 M
Total Market	912,047	100%	26,985 M

Source: Military Audits of Market Information

*Equivalent Unit = Case of 12 packages

"The strong growth in fish sales reflects the culture of our society."

to the Commerce Department. The increase is so dramatic that government officials worry about the impact fish imports have on the trade deficit.

And the overall outlook appears even brighter. International Resource Development, Inc. (IRD), a marketing think-tank in Norwalk, CT, says in a special report on the fish industry that annual seafood consumption in the U.S. will double in seven years to 2.7 billion pounds. IRD is bullish on three major military vendors: Campbell's Soups (Mrs. Paul's), Pillsbury Co. (Van de Kamp), and General Mills (Gorton's Seafood).

Reflecting the above, virtually every military vendor reports soaring fish sales:

Jesse Gonzalez, president of Singleton Seafood Company, Tampa, FL: "We're heading into our seventh straight year of upward growth in sales to the military."

Vaughn Clark, director of military sales, Galletti Brothers Foods, Los Angeles: "Two years ago, our gross sales to the military were about $5 million. Now sales are up to around $7 million and heading higher."

Steve Wyant, sales manager, Government and Special Accounts, Stouffer Frozen Foods, Solon, OH: "Our market is up about 18 percent from last year."

Steve Carvel, product sales manager, Pillsbury Co., Minneapolis, MN: "Our sales have increased about 15 percent in the past two years, and Van de Kamp's remains the market leader."

Rick O'Connor, military sales manager, Gorton's, Gloucester, MA: "We continue to grow each year. We're very bullish."

But this optimism isn't shared by one and all. John Raimondi, operations manager for Goya Foods, Inc., in Thorofare, NJ, states that though a steady sales climb has occurred, "there's nothing big to talk about."

The overall optimistic reports are reflected in raw statistics. According to a report issued by the Selling Areas-Marketing, Inc., 12 week total fish volume ending February 27, 1987, hit 7.2 million cases; this year for the same period, it stands at 7.9 million, almost a 10 percent increase.

And the optimism is also for the most part reflected at the commissary level.

Maureen Murray, public affairs specialist for the Navy Resale and Services Support Office (NAVRESSO) says that though the Navy doesn't break out the national figures on fish consumption (statistics are combined with meat data), reports on fish consumption from commissaries in the field are excellent. The Navy, she says, began a Commissary Seafood Program in mid-

Meat Industry Outlook

On the surface, the outlook for the meat industry wouldn't appear bright. Per capita consumption though almost ten times as high as fish and almost double the amount of poultry, has been steadily heading in a downward direction. And experts say that the 1987 figures to be released by the Agriculture Department will be substantially below the 141.7 pounds of meat consumed yearly per person registered in 1986.

But things aren't as gloomy as they might appear. "I've never seen the industry more united, more committed to a turnaround," says Sara J. Lilygren, manager of public relations for the American Meat Institute.

There's regulatory and technical meaning behind the rhetoric.

On the regulatory side, the Agriculture Department has recently given the go-ahead for a new labeling system which allows packers to change the grade "good" to "select." Lilygren explains that consumers are more attracted to the "select" name.

Another labeling change in the works is the way the quality of meat is labeled. Presently, both yield grade and quality grade are determined by the fat on the carcass. The rules don't allow the fat to be trimmed at the location where the beef is slaughtered. So fat is sent to wholesalers, distributors, and retailers to be trimmed, thrown away, and then the meat graded. "It doesn't make much sense," says Lilygren.

The proposed regulation will allow a "de-coupling" of the present system, meaning that fat can be removed from the carcass at the slaughtering plant, and the meat graded.

"What this will do is give us the opportunity to streamline the purchasing and marketing system. We're looking at lower costs and leaner meat," explains Jim Smith, vice president of the Fresh Meat Division for AMI.

Also in the works are several legislative proposals which will allow the meat industry to modernize the present inspection system with new technology. This too, say Lilygren, will allow the industry to cut costs.

But the biggest money saver of all—one that could make a major impact on retail prices—is in the use of growth hormones to raise cattle. Still in the development stage, these hormones literally can change the way cattle grow and produce meat. The techniques used thus far have produced meat products rich in protein but low in fats and calories.

Dr. Terry D. Etherton, professor of animal nutrition at Pennsylvania State University, is quoted as saying that the use of growth hormones could save $1–3 billion a year in cattle food costs.

All these changes, argue Smith and Lilygren, will have a positive impact on the market, and hopefully turn the per capita figures around. ■

Microwaves have helped to overcome buyer resistance to fish.

1986, and most major commissaries carry frozen and pre-packaged seafood. At a few locations, fresh fish on ice is featured. One commissary at the Great Lakes Naval Training Center, IL, showed a dramatic one year sales increase. Murray says 61 commissaries have installed tanks for live lobsters and crabs.

The U.S. Army Troop Support Agency (TSA), doesn't keep break-out statistics either, but Florence Dunn, public affairs specialist, says that reports from the field are similar to those of the Navy. She says four Army commissaries have installed live lobster tanks, one sells live trout, and 30 out of 178 sell fresh pre-packaged fish.

One Army commissary that has seen a significant increase in fish sales is Fort Belvoir, VA. Robert Waterhouse, commissary officer, states that fish and poultry are the "hot items of the decade." The commissary has a fresh fish display as well as a lobster tank, and Waterhouse states that while he sees heavy patron movement in this every day, the movement in meats and pork is declining. "There is not a whole lot going on," he notes.

For the Marines, Alan Jones, spokesperson for the Marine Corps Commissary Service Branch's East Coast Complex, states that current fish sales are up about 10 percent over 1987.

The exception to the optimistic rule is the Air Force Commissary Service (AFCOMS). Jerry Brown, commissary management specialist, states that AFCOMS "has not done a whole lot to promote fish. We really haven't pushed it," he says, noting the difficulty of getting fresh supplies to Midwest markets.

But AFCOMS aside, it is clear that fish sales to the military have increased, and that behind it are a number of factors.

First, there is the overall American consumer perspective. "The strong growth in fish sales reflects the culture of our society," says Galletti's Clark. "We are becoming more health conscious, and fish is a healthy food." "We've become a very health conscious culture," echoes Pillsbury's Carvel.

And the military market picks up where the consumer market leaves off. Clark says that the "military market is a great one because buyers are very sophisticated. Many average consumers just want white meat. The military is interested in the whole range of available products."

"We really treat the military as a different market," explains Singleton's Gonzalez. "We listen to them and then deliver. The harder we work, the luckier we get."

Many — but not all — vendors cite the microwave as a factor behind in-

PER CAPITA DISAPPEARANCE OF RED MEAT, POULTRY & FISH, RETAIL WEIGHT BASIS, 1960–86

	Total Red Meat	Variety Meats	Poultry	Fish	Total Red Meat, Poultry and Fish
			Pounds		
1960	134.0	10.9	34.0	10.3	189.2
1961	132.7	10.7	37.3	10.7	191.4
1962	134.5	10.7	36.8	10.6	192.6
1963	139.4	10.1	37.6	10.7	197.8
1964	142.9	11.1	38.5	10.5	203.0
1965	135.9	10.4	40.7	10.8	197.8
1966	138.8	10.6	43.4	10.9	203.7
1967	145.5	11.1	44.9	10.6	212.1
1968	148.9	11.2	44.6	11.0	215.7
1969	148.3	11.0	46.7	11.2	217.2
1970	151.6	11.2	48.4	11.8	223.0
1971	156.7	11.3	48.5	11.5	228.0
1972	153.1	10.8	50.7	12.5	227.1
1973	141.7	9.8	48.9	12.8	213.2
1974	151.3	10.7	49.5	12.1	223.6
1975	143.7	10.2	48.6	12.2	214.6
1976	153.0	10.6	51.8	12.9	228.3
1977	152.3	10.4	53.2	12.7	228.6
1978	146.9	9.8	55.9	13.4	226.0
1979	144.8	9.6	60.5	13.0	227.9
1980	147.7	9.5	60.6	12.8	230.6
1981	145.1	9.4	62.4	12.9	229.8
1982	139.3	8.6	63.9	12.3	224.1
1983	143.9	9.1	65.1	13.1	231.2
1984	143.7	9.3	67.1	13.7	233.8
1985	144.4	8.8	70.1	14.5	237.8
1986	141.7	8.8	73.4	14.7	238.6

Source: U.S. Department of Agriculture

creased sales. "The big change that has taken place in the last two years is in microwave," claims Pillsbury's Carvel. "We've seen the impact of the microwave on virtually every category."

Bret Weaver, marketing manager for Golden Dipt Company, St. Louis, MO, a seller of fish seasoning and sauces, states flatly that "microwave is hot in the trade" and is behind much of Golden Dipt's upward sales trends over the past five years.

He explains that microwaves have helped to overcome buyer resistance to fish, because the fish comes already prepared. "We're not just selling fish anymore," he says, "we're selling a whole entree." Before the microwave, he notes, consumers were afraid to prepare fish. "The microwave has taken away that fear. Anything that helps the consumer half way with the preparation of the meal will help sales." And Weaver states the microwave actually makes for a better fish meal because of the way the juices steam-heat the product.

Not everyone is as enthusiastic. Steve Wyant says none of Stouffer's products are microwaveable, "because we won't sacrifice quality to increase sales." A Campbell Soup spokesman explains that preparing a good microwave fish product is very difficult, and that Campbell uses a blend of microwave and broil for its Mrs. Paul's crispy, crunchy fish filets.

Despite what some say are substantial price increases, one factor encouraging to all vendors is that sales have continued to climb. Carvel notes that some prices have gone up as much as 50 percent in the past two years. How high they will go in the future is anyone's guess. Carvel says that the supply problem has been solved but Golden Dipt's Bret Weaver doesn't think so.

The fish industry is attempting to decrease its reliance on imports for supplies through building new fish farms. Fish specialist Dr. Tony Mazzaccaro of the National Agricultural Library says that total annual U.S. aquaculture production is about 620 million pounds

Commander Puts It On Ice

Naval Commander Ted E. Brooks had a dream. As officer in charge of the Navy's Great Lakes, IL Training Center Commissary, he wanted to be the first to offer fresh fish on ice to his patrons.

After about 15 months filling out forms to satisfy all regulations, CDR Brooks opened up his dream on May 12, 1987, just beating out the commissary at Little Creek, VA.

His dream paid off. When the fresh fish on ice section opened about a year ago, sales were $1,200 a week. The display then carried nine types of fish. Now, sales are almost $3,100 a month, and the 50 square foot counter carries 18 selections on average, though CDR Brooks has approval for 34 different types.

What's more, this growth occurred despite a 6 percent decline in the non-recruit population. The fresh fish counter requires 45 man-hours per week. ■

The fish industry is attempting to decrease its reliance on imports for supplies through building new fish farms.

and growing 10 percent a year.

Besides the question of supplies, another possible cloud in the future is the public's perception of fish. While the common view of fish today is one of a healthy low-fat nutritious alternative to beef and chicken, that view can change quickly.

There have been a number of recent seafood-poisoning outbreaks, and some consumer leaders and lawmakers are urging new laws and regulations to protect the public against unsafe fish. Some predict that food safety will be a major priority item for Congress in the next session.

Ellen Haas, executive director of Public Voice for Food and Health Policy, a Washington D.C. consumer organization, told *Interservice* that the amount of below par products reaching the marketplace "is the great American fish scandal. The worst of it is that a lot of people assume all fish are checked for hazards."

Haas heads up a coalition of twenty local and national consumer and environmental organizations that are pressing Congress to pass mandatory fish inspection. She expects either House or Senate hearings to begin sometime this year. The Commerce Department has a voluntary fish inspection program it conducts for the fish industry. Last year it inspected 11 percent of the seafood consumed, down from the 19 percent inspected in 1981. The Food and Drug Administration is responsible for screening 2.9 billion pounds of imports a year, but it only examines a small portion.

Though the military's high standards protect patrons from unacceptable quality, an adverse public view of fish could certainly impact the attitude of military patrons. Further, if new laws and regulations are passed to protect the public against unsafe products, that is likely to have an inflationary impact on *all* fish prices, as the cost of domestic inspection programs are currently borne by the industry.

Thus far, the gains in the fish market have largely been at the expense of meat. That too may change. Currently the meat industry is undertaking a broad lobbying campaign to change the way products are produced and labeled. If these changes are accepted, costs for producing meat could drop dramatically, and meat sellers will have a number of promotional selling tools that they don't have now.

Still, every fish vendor is optimistic about the future, and plans are underway for market expansion. Clark and other vendors see the Midwest as undeveloped territory, and they are going after it. Clark notes that rising per-capita figures don't reflect a real national outlook as fish consumption on the East and West Coasts are disproportionately higher than in the Midwest.

Another upbeat sign is the number of new products and new technology in the offing. Vendors talk at length on an off-the-record basis about new products that will soon be hitting the market. And some discuss new packaging and transportation technology that they believe will be attractive to consumers and give them an edge over competitors.

Perhaps the overall outlook is best summarized by Weaver: "As long as the quality remains high, this market can't go anywhere but up." If that statement holds up, fish vendors won't have to say goodbye to a heavenly market. ■

New Fish Exchange

Ticker tapes aren't what they used to be. Last December the Fish Exchange was established in San Francisco, and now fifty member firms can buy and sell huge quantities of fish at the push of a computer button.

Before Fishex was born, there was not an automated system available for getting quotes on flounder, cod, trout, etc. With Fishex there is, and the present market value of fish listed on the exchange is about $6 million. ■

FROZEN SHRIMP
12 MONTH ENDING
FEBRUARY 1988
Total Military

12 Month Packages Sold = 2,266,512
12 Month Dollar Volume = $9,259,000

Total Brand Volume Share
12 Month Ending February 1988

Singleton	32.29%
Rich Sea Pack	19.57%
Golden Fleet	14.92%
Sea Treasure	7.63%
Carnation	6.95%
All Other Brands	18.64%

Source: Military Audits of Market Information

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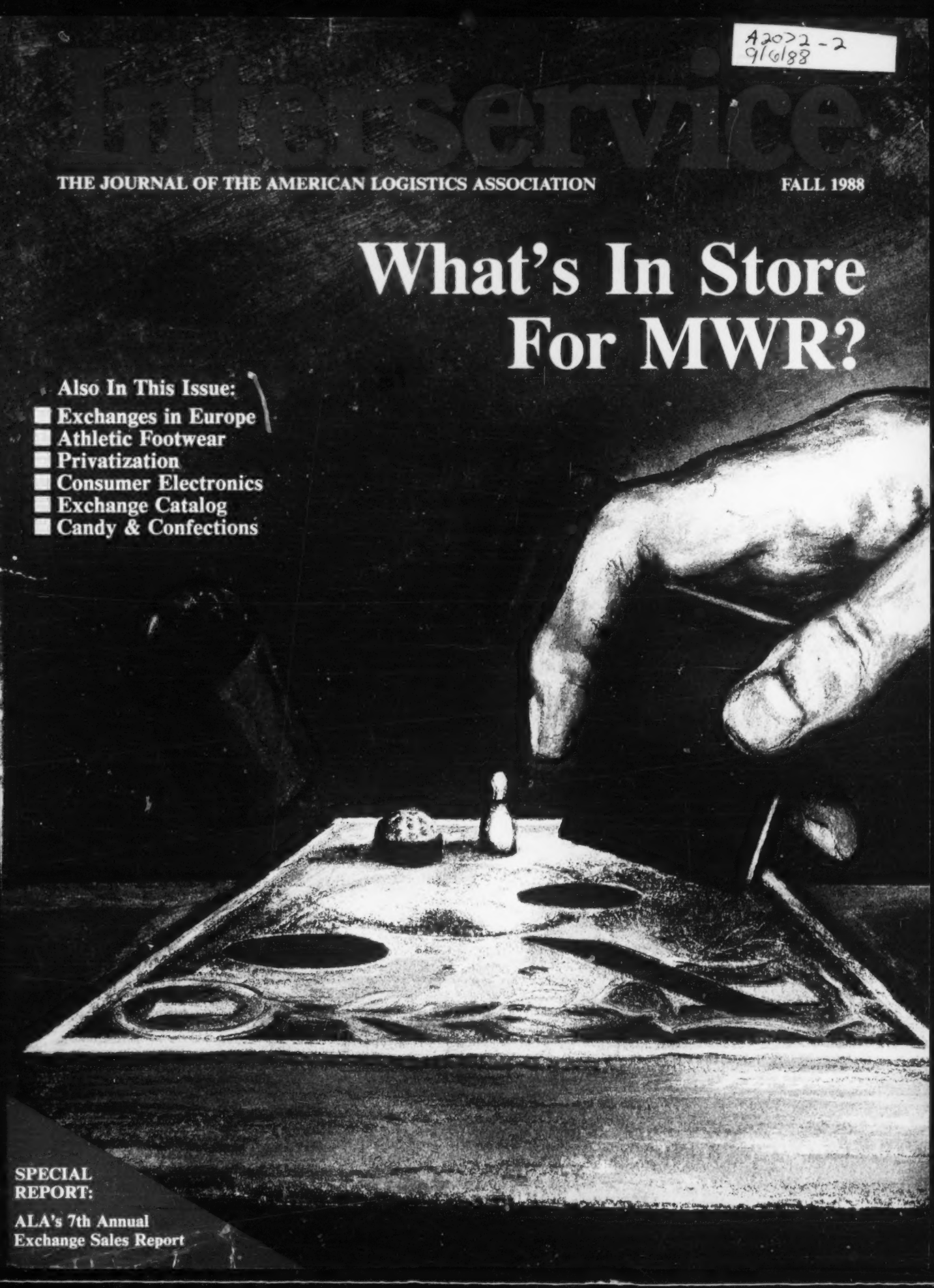
What's In Store For MWR?

Also In This Issue:

- Exchanges in Europe
- Athletic Footwear
- Privatization
- Consumer Electronics
- Exchange Catalog
- Candy & Confections



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VOLUME 8, NUMBER 4 FALL 1988
COVER ILLUSTRATION BY DEAN GARDEI

EDITORIAL
ALA VIEWPOINT
BY A. KOLBET SCHRICHTE 5

MORALE, WELFARE & RECREATION
WHAT'S IN STORE FOR MWR?
BY JIM OSTROFF 26
The members of the House Morale, Welfare and Recreation Panel express their views and outlooks on the resale industry.

AAFES-EUROPE UPDATE
EXCHANGES: ALIVE AND THRIVING IN EUROPE
BY CAROL BOK 39
An overview of the booming business in the European military market.

CONSUMER ELECTRONICS TRENDS
ELECTRONICS EXCITEMENT
BY LAURA KREGEL AND BRAD SMITH 50
Audio and video buffs enter a new age of sophistication in the choices available to military exchange customers.

MILITARY RESALE UPDATE
EXCHANGE & COMMISSARY PRIVATIZATION: CONGRESS SAYS NO
BY MARILYN WERBER 59
An analysis of the controversial issue of privatization in the military resale systems.

ATHLETIC SHOE SALES
FANCY FOOTWORK FOR THE MILITARY FAMILY
BY JILL WECHSLER 66
A look at the hottest selling athletic footwear in the exchanges.

EXCHANGE CATALOG SALES
MAIL ORDER MERCHANDISE: CATALOG CONVENIENCE
BY NANCY PANTUSA 74
A report from the Army and Air Force Exchange Service on the ever-growing popularity of the Exchange Catalog.

CANDY & CONFECTIONS
THE MILITARY SWEET TOOTH
BY JEANNE VOLTZ 82
Sales of candy and confections in the exchanges and commissaries are getting sweeter and sweeter.

FACTS & FIGURES
ALA'S 7TH ANNUAL EXCHANGE SALES REPORT
BY JULIE BAILES LEGG 91
The annual desk-top reference guide to worldwide exchange sales in fiscal year 1987.

DEPARTMENTS

What's Breaking . . . 11
The Acronym Blizzard 19
Reminiscing... 6
Professional Meetings Calendar 22
The Association 21
Advertisers Index/ Chapter Presidents 152

Electronics Excitement

BY LAURA KREGEL AND BRAD SMITH

The total market for consumer electronics, according to the Electronics Industry Association (EIA), topped out at $4 billion in retail sales in 1987. In the four year period from 1983 to 1987, factory sales in the United States increased 33 percent.

However, it's a volatile industry. While new electronic wizardry may produce immediate explosive sales, increased product sophistication often comes in the face of sometimes severe price erosion. And right now, the latest electronics explosion is slowing down.

The EIA expects overall consumer electronics sales to increase slightly—five percent—in 1988. The Marine Corps Exchange at Quantico, VA, and AAFES report sales to be up only four percent and five percent, respectively, in the first quarter of 1988 over the same period in 1987. Sales in most of the consumer electronics categories are only holding steady. Sales are up for CD players at AAFES, but VCRs, as well as personal computers, at Quantico and at the Camp Pendleton Marine Exchange near San Diego are down.

Laura Kregel and Brad Smith are writers with Communi-K, Inc., a Fairfax, VA-based communications firm whose specializations include marketing and merchandising.

VCRs in Demand

According to Craig Williams, buyer at Camp Pendleton, VCR sales are down slightly from last year, holding only 10 to 12 percent of the total consumer electronics market. After two years of record sales, it's estimated that 52 percent of American homes have a VCR.

"People may be looking to upgrade their VCRs now," Williams said, "But there are not enough new lines or features to interest them."

Perhaps in a couple months that situation will change. "Every two years the electronics industry revamps their models," said Major James Heaberg, Chief of the Information Services Branch in Public Affairs at AAFES in Dallas. "We'll see a 75 to 80 percent change in the stock assortment this fall."

Most people, including military personnel, use a VCR to record shows for later viewing. Many of the VCRs feature fourteen-day, four-event programming. Some can do as many as eight events for up to three weeks or even as much as a year in advance. A growing number of people are doing their own video entertainment by shooting home movies with a camcorder and playing them back on a VCR. A fairly full-featured VCR, while expensive, offers extra editing and dubbing functions for this purpose. Stereo sound and Dolby noise-reduction are also handy conveniences.

While the features continue to increase, many buy VCRs to mainly play pre-recorded tapes. This requires only the most basic model.

The VCR top-sellers at Camp Pendleton are both Panasonic models: the low end 4720 which lists for $399 and the top-of-the-line PB4760 for $539. The Camp's total VCR line runs from $299 to $679.

"The typical buyer of a VCR today is a young male, around 18–25 years old," says Marcia Rowland, Military Sales Supervisor at Zenith. Zenith supplies VCRs to AAFES, NAVRESSO, and MCES.

The AAFES VCR selection, most with four-head, four-event, remote access, stereo and remote programming, starts with a $199 Goldstar model and tops out with the RCA VPT595 for $589.

Buna Sprague, buyer of consumer electronics, says VCRs enjoy the largest share in dollar sales in the consumer electronics category at the Quantico Exchange. "Our two-head Sanyo, selling for $239, is doing well right now," Sprague said. Cheryl Acampora at NAVRESSO reports their best-selling VCR brands to be Sanyo, RCA, and Zenith.

Sprague also stated VCRs are now "price driven for the majority of the customers." AAFES' Heaberg said, "If we don't advertise our VCRs quite heavily, it's hard to sell them." Williams concurred, but added, "Our new selection of components is taking up the slack."

Hot Components

Indeed, this past winter brought the long-awaited approval of sales of audio components in all CONUS exchanges.

CONSUMER ELECTRONICS SALES IN THE EXCHANGES

($ in thousands)

	Navy			Army & Air Force		
	CONUS	Overseas	Worldwide	CONUS	Overseas	Worldwide*
FY1985	47,790	64,720	112,510	132,391	316,252	476,262
FY1986	59,826	66,656	126,482	166,144	310,698	496,754
FY1987	65,900	65,155	131,055	195,491	346,917	558,735

*Includes mail orders.

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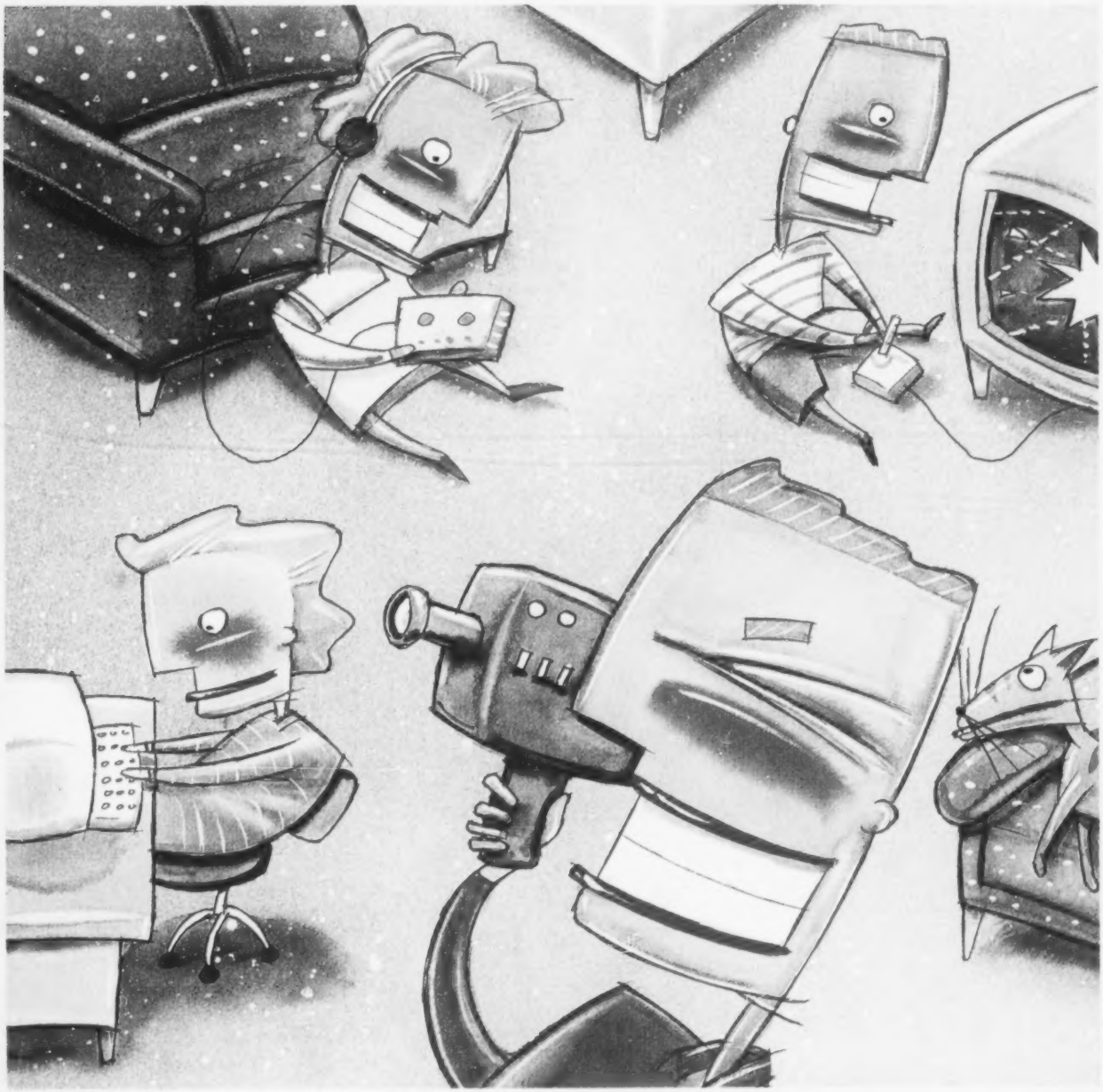

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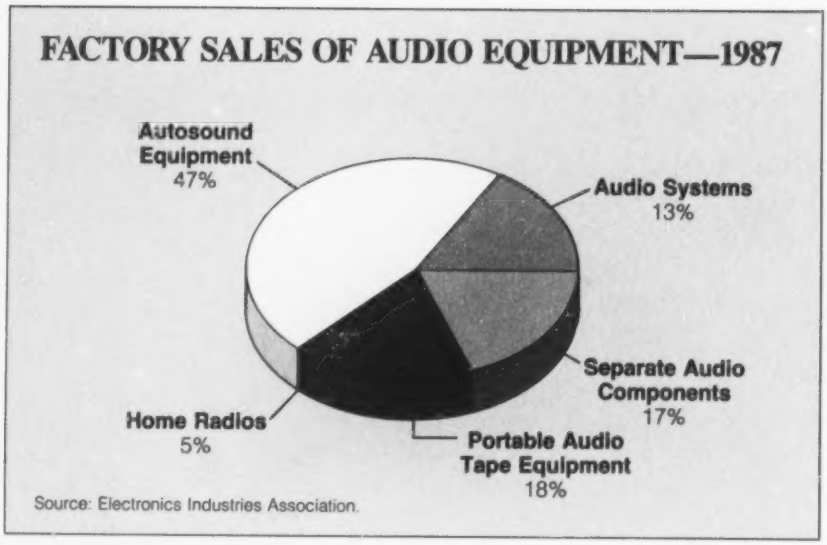

The Morale, Welfare and Recreation (MWR) Panel of the Readiness Subcommittee of the House Armed Services Committee authorized the sales just hours before Congress recessed for the holidays. DoD made the request, along with a request for approval of television sales (which was deferred—see sidebar), believing a substantial increase in sales and earnings could result. It appears they were right. Sales of components in NAVRESSO, since their introduction in May, have already topped $7 million.

Michael Daniel of the M.J. Daniel Co., Inc., representativs of major manufacturers to AAFES, NAVRESSO, and MCES, reports tremendous sales of JVC and Infinity components in the exchanges.

CD players are still topping the sales sheets.

Components now sold separately include speakers, dual cassette decks, tuners, amplifiers, CD players, receivers, turntables, and equalizers. "People can now pick out what they want," Williams says.

Speakers are the most critical components in a quality stereo system. No matter the quality of the turntable, tape deck or receiver, mediocre speakers receiving superior electrical impulses will produce mediocre sound. Consumers shopping the exchange at Camp Pendleton agree. "Our top-selling component is speakers," Williams said. "And Bose and JBL head the list. Among the rest of the components, Bose, JVC, Jensen, and Kenwood are seeing the best sales.

Speaker sales at NAVRESSO account for 30 to 35 percent of all component sales, and both AAFES and

MCES are planning to build sound rooms in many if not all of their exchanges.

"We feel sound rooms are necessary for our customers to evaluate the speakers," said Maureen Murray at NAVRESSO's Public Affairs Office in New York. The price of speakers range from $169 to $999 at NAVRESSO. No one but a devout audio buff could ask for better bass loudness or fidelity than that provided by speakers in the $400 to $600 range.

Also, speaker systems are being upgraded to reflect the changes in digital technology. For instance, International Jensen, which bought Advent four years ago, has introduced a new line of digital-ready, high-end speakers made for CD players. "The technology of today requires high surges of power and speakers that can handle that," said Steve Sienicki, Jensen's director of national accounts. "Since we do all the assembly, from magnets to cones, we can control the quality."

Murray reports NAVRESSO offers components featuring a product mix of Pioneer, Kenwood, JVC, Carrer, Bose, JBL, Polk, Sony, Fisher, Kass, and Technics. Prices range from $199 to $549 for receivers; $119 to $299 for turntables; $79 to $299 for cassette decks; $169 to $199 for equalizers; and $139 to $349 for compact disc players.

CD players, those machines that read five-inch discs with a low-powered beam of laser light and deliver flawless, noise-free sound that revolutionized recorded music in 1983, are still topping the sales sheets. In 1987, nationwide retail sales of CD players went over 3 million.

"CD players are still hot," Williams noted. "From portable walkmans to components, every model is doing well." Camp Pendleton's shelves of CD players include brand names like Kenwood, JVC and Technics, and the entire line is available at prices from $170 to $360. Pioneer is enjoying the number one position.

A similar story is proclaimed at AAFES. Heaberg reports their sales of CD players—single- and multi-play and portable models—are again up. AAFES offers Sony, Yamaha, Pioneer, Technics and Kenwood. Sales of Sony products at AAFES have moved the company from the number nine position in 1987 to number four this year, according to Bill Wright, military sales representative at Sony Corporation of America. The leaders at NAVRESSO are Pioneer, JVC and Kenwood.

Walkmans & Boomboxes

At the Quantico Marine Exchange, Sprague mentioned that Sony and Sanyo "boomboxes"—portable AM/FM stereos with dual cassette recorders—are quite popular. These dual tape systems with high-speed dubbing capability sell for $70 to $200.

Sony's unique triple tape drive model (the third cassette pops out for use as a walkman), has had "fair" sales, listing at about $150. Currently, Sprague adds, the largest unit share of their sales in consumer electronics has been in walkmans and boomboxes.

As might be expected at hospitals, Robert Caldwell, senior buyer at the Veterans Canteen Service, says walkmans made by Sony, small AM/FM radios and stereos, and a pocket Panasonic radio have sold well.

"Home Movies"

Video camcorders are a cheap, quick thrill. Today's technology allows for two hours' worth of video tape, at about $5, to be recorded and then immediately viewed.

Like the story with many other home electronics items, camcorder prices are slowly beginning to erode, and future good deals are possible for those who wait. But many won't. Military personnel are no exception.

Sales Overseas

Consumer electronics departments in overseas exchanges offer military consumers discounts of 10 to 15 percent compared to CONUS prices. Price breaks are found on such items as audio components, VCRs, camcorders, and televisions.

TVs sold in European exchanges include a few American models from RCA and Zenith, the usual Japanese brands, and Samsung and Goldstar from Korea (the foreign manufacturers being more adept at producing multi-voltage machines).

Multi-channel stereo models are doing very well despite Europe's lack of stereo broadcasts. Military personnel purchase these full-feature TVs at reduced prices to bring home.

European exchanges also offer greater product variety. For instance, an exchange may carry 20 or more stereo receivers, while CONUS may display only ten. And AAFES overseas has exclusive rights to various electronic models due to the ability to make special arrangements with vendors for overseas sales.

In addition, many European bases have private audio clubs, located just outside the base, that operate independently. Audio clubs carry models not carried by the base exchange. They compete with exchanges by pricing their items at military discount. Base personnel appreciate their presence as these private audio clubs allow an even greater choice in audio electronics.

At remote Air Force bases in the U.S., AAFES maintains a stock assortment of televisions. White Sands Air Force Base, Minot, Ellsworth, Mountain Home and Fort Stewart, to name a few, sell TVs and other items not available in exchanges located near large metropolitan areas. Zenith sells 9- to 27-inch color TVs at these locations, as allowed by Congress. ■

Future Items

In August this year, the Department of Defense asked Congress to again consider allowing sales of televisions at CONUS exchanges.

Also, Clare Moelk, the DoD's Assistant Director for Military Personnel Administration and Services in the Office of the Secretary of Defense, would like to see more home office equipment sold in CONUS exchanges—namely desk top copiers, cellular telephones, facsimile machines and more technical telephones and answering machines.

"I want to see the door opened for self-decision rather than Congressional approval on specific items," Moelk told *Interservice*. "And for the growing home office concept, we want to encourage private businesses, home or cottage industries by offering needed equipment at military discount prices." ■

The Panasonic PV330 that lists for $1,569 at Camp Pendleton has been selling "like gangbusters," Williams exclaimed. "It's a full-sized, full-feature model and rather heavy at over six pounds, but I can't keep them on the floor!"

He noted that buyers of camcorders are typically families and grandparents, and that besides filming the children or grandchildren, they're most often used for social events like weddings, parties and graduations. Sony's Wright feels civilian families tend to use them for more elaborate purposes like filming sporting events. "Someone may take it along to record the Indianapolis 500," Wright said.

Sales that Compute

Sales of personal computers, while reportedly beginning to climb once again in the civilian population, are flat or are going down in the exchanges. "Parents have generally purchased a home computer for their child's education," NAVRESSO's Murray commented. "But we're beginning to see a trend towards upgrading home computers for multi-purposes. No longer just for the kids and computer games, adults are expanding their uses to include home finance, private home businesses, and home offices."

Williams notes that sales of computer accessories, including software, are picking up.

"We're noticing that PCs are bought quite often by sergeants and people at lower ranks for job-related purposes. Self-training for current assignments as well as for future non-military jobs seems to be the pattern."

The San Diego Marine Base has only offered Tandy computer packages—CPU, screen and printer—at $900 to $1600. The 100 EX has been the top seller.

NAVRESSO's number one personal computer in 1987 was the Commodore C128D. Others carried by the Navy include the Apple IIGS, Apple Mac Plus, Tandy 1000TX & HX, and Commodore PC10C. NAVRESSO sells complete PC systems—color monitor, CPU, keyboard and dot matrix printer—at prices from $1,037 to $2,198.

When You Hear the Beep ...

The prices of telephone answering machines are also coming down. But even if they weren't, sales would continue upward. Or so it seeems. When you want to "reach out," the last thing most people want is to talk to a tape. Nevertheless, more and more people consider it a must. Over 5.8 million answering machines were purchased in the United States last year.

At AAFES, Major Heaberg expects high sales of answering machines in 1988. Last year saw $3 million in sales, double that of 1986. "It's going to be a growth area in the number of units," Heaberg said. "But not in the dollar volume. The prices of most machines are down."

Answering machines with built-in phones sell better at Camp Pendleton. All such models in the $75 to $136 range are doing equally well, Williams reported. And machines without phones, like AT&T, ConAir, GE, Panasonic, Codaphone and PhoneMate, in the $68 to $88 range, are also doing well.

"If it's a name brand with attractive packaging at a competitive price, it sells no matter what," Williams said. "Answering machines with and without phones shave 10 percent of the total consumer electronics category here."

NAVRESSO carries AT&T, Panasonic and GTF answering machines. Sprague at Quantico reports the AT&T 420 that includes a phone is selling well in the $50 to $75 range.

What Now?

Innovations in consumer electronics to spark buyers' interest appear to be at a lull. Super-VHS technology is beginning to hit the market, claimed by electronics companies to sharpen picture quality and enhance color. But most Americans don't have the right TVs to handle it. Digital Audio Tape (DAT) that rivals CD sound perfection but is recordable, is struggling to overcome the affordability barrier. General acceptance of 3D home televisions seems to be doubtful. And the "old is new again" concept has pervaded consumer electronics also: cassette players and radios modeled after 1920s' CA victrolas and radios, and computer games are "new and improved." Perhaps the consumer has been dazzled enough for the time being.

But then again, the new product lines are just now hitting the stores. Perhaps the remaining 48 percent of American homes without a VCR will decide to buy one this year for the holidays. With falling prices, at least unit sales will increase. In a volatile industry like consumer electronics, who can predict? ■

Fancy Footwork for the Military Family

BY JILL WECHSLER

Air cushions? Pronation? Side-to-side roll? Sounds like a discussion on airplanes. Not so. This is the lingo of today's hi-tech world of athletic footwear. Only toddlers wear "sneakers." Anyone past the first grade now wants sports shoes with an array of space age performance features that carry $40-plus price tags. And there's no better market for these hi-tech products than the military.

Marines have to run, points out John Hanlin, exchange merchandise manager at the U.S. Marine Corps Development and Education Command in Quantico, VA. A three-mile run is part of each Marine's annual personal fitness test, so running shoes—"and better quality running shoes—are our number one item in this product category." Mike Mikulecky, athletic shoe buyer for the Army and Air Force Exchange Service (AAFES), agrees. "Military personnel have to maintain a high level of physical conditioning, so most will own several pairs of athletic shoes. Running is a higher category here than in the civilian world. And every base has tennis and basketball courts."

Quality is increasingly important in the footwear department, too, Hanlin adds. "Americans are tired of buying junk. My customers are opting for quality. They want a good pair of shoes they can wear for one or two years." As a result, Hanlin sells about $500,000 a year of top quality athletic shoes, products made by industry leaders Nike, New Balance, Converse.

This was not always the case. When Nike began selling to military exchanges several years ago, "it was a low-end, price-oriented business," says Gary Fleshman, military sales manager for this leading shoe manufacturer. "Everyone was selling the cheapest shoe we had." But he has detected a major change in the military market over the past two years as the exchanges have shifted to a more technical and more high-priced product line. As a result, sales are booming. "The military consumer wants the same thing he sees in the local Foot Locker store," say Fleshman, referring to the leading retail chain in the athletic shoe business. Before the switch to top-of-the-line products, military personnel were leaving the base to buy sports shoes.

The expansion of exchange shoe lines to include more variety and more high-priced products has had a noticeable impact on sales figures. Nike sales to the military have increased dramatically in the last few years, while moving into more technically-oriented products, says Fleshman. Estimates for all exchange sales of athletic shoes hover around $60 million, which would amount to about $80 million in the

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Jill Wechsler is a Washington, DC-based writer who has articles published in a wide number of consumer and business publications.

civilian retail market, but some authorities put the figure all the way up to $100 million. One problem in calculating these numbers is the very blurred line betwen athletic and other casual shoes. Sales of all shoes at AAFES hit $156 million for 1987, up from $120 million two years ago, with athletic shoes accounting for about one-third of the total and making a major contribution to that sales jump.

The growth in athletic shoe sales in the military market reflects the overall market trend, but also results from specific merchandising and distribution programs initiated by the services. Exchange managers are well aware of the strong competition from outside retail outlets and have taken steps to keep the military consumer shopping on the base:

Central warehousing. Because the most popular sports shoes often sell out quickly, both AAFES and NAVRESSO (Navy Resale and Services Support Office) have switched to warehousing programs for athletic shoes in the past two years. The use of regional warehouses has greatly improved availability and stocking for these high-demand items. "We used to ship right to the stores," points out Mike Avallone, NAVRESSO buyer for ladies and athletic shoes. "Now we warehouse these items so we have stock available at all times."

Special shoe promotions. Top manufacturers are competing hard for sales at all retail levels and frequently sign up well-known runners and other sports stars to visit retail stores. Such special promotions are becoming increasingly frequent at military exchanges, with some posts holding sports shoes promos on a regular basis. For example, famed runner Frank Shorter recently promoted running shoes at Quantico. New Balance Shoe Co. sent tennis great Roy Emerson to Henderson Hall Marine Corps Exchange to discuss its tennis shoes. Andree Bergman, athletic footwear buyer at the Marine's Camp Pendleton, CA exchange, has some kind of sports shoe promotion every month—either a discount or gift-with-purchase or visit by some sports star. Such promotions are very effective too. Quantico exchange sold 150 pairs of Nikes in one July weekend when the company gave out a T-shirt or key chain with every purchase of the then-new Nike "air" shoes.

Discounts. Nothing, of course, beats low price. "In two days we sold two gross of Nikes priced at $19.95," says Jim Wynn, men's athletic shoes buyer at the Marine's Camp Lejeune exchange in North Carolina. Such promotions are offered to exchanges when manufacturers want to clean out discontinued styles or are closing out a model. Wynn also has done well with special promotions for Asics Tiger, an up-and-coming shoe featuring a gel pad in the mid-price range.

Improved service. With the proliferation of new, high-tech features along with higher prices on athletic footwear, exchanges recognize the growing importance of having trained sales people who can discuss these now-complex products intelligently with customers. Many exchanges schedule training sessions with vendors who will visit military posts to explain the differences among their shoe products to the sales clerks. "Then if a customer comes in and says he runs for three or four miles a day, we can recommend certain products," points out Bergman. "You can't put someone in shoes who does not know the merchandise."

Expanded sales facilities. Athletic shoe sales have boomed ever since the Camp Pendleton exchange opened up a new "sports center" at the exchange less than a year ago. Last December all sporting goods, apparel and shoes were put together in this separate structure that previously had held housewares. With triple the space for shoe display now plus expanded stock area, sports

"I find that if we have something the consumer wants, price doesn't mean a thing."

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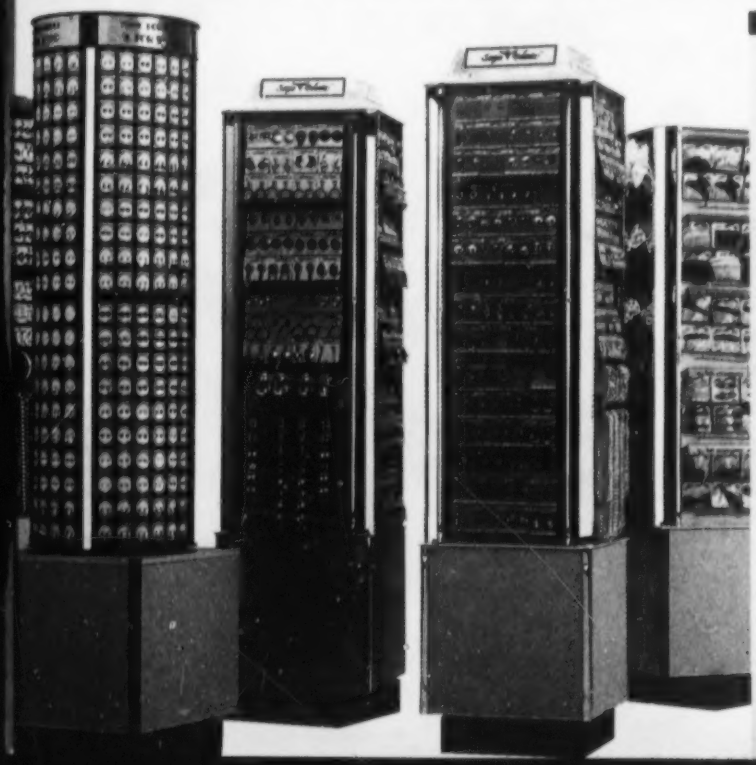

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ARMY & AIR FORCE ATHLETIC SHOE SALES

(in $ millions)

Company	1985	1986	1987
Adidas	—	—	3.12
Converse	1.16	2.75	1.21
Etonic	—	1.34	1.04
Kangaroo	2.85	6.92	7.30
New Balance	2.62	2.99	2.53
Nike, Inc.	9.82	10.92	9.54
Pony	1.89	2.10	1.07
Reebok	2.84	10.79	15.47

Source: Army & Air Force Exchange Service

shoes sales have taken off—up 65 percent for men and a whopping 200 percent for women in its first six months in business, according to Bergman. Before the Pendleton exchange built this sports center, the young male Marines that account for most of the Camp's population were going off base for sports equipment, Bergman admits. "This is an active duty base, and the young guys need an area where they can go and get all their equipment. Now we have a pleasant place to shop and we're attracting more customers." She projects athletic shoe sales will top $600,000 this year at Pendleton.

Exchanges like the one at Camp Pendleton are encouraged to expand the floor space and personnel devoted to sports shoes because the products are hot. "This business has been growing with us since 1980," observes Mike Mikulecky of AAFES, who predicts that the trend will continue indefinitely. Nike is currently his fastest growing brand because of the firm's new air system that provides a foot-hugging air "cushion" in the bottom of the shoe. Nike had been "king of the mountain" several years ago, but was surpassed recently by Reebok, Mikulecky comments. "Now Reebok is more comfort and fashion, and Nike is more technical; it's for people serious about shoes."

Although the results are not final yet for whether it's Reebok or Nike at the top, both companies will continue to sell very well with the military. The two companies account for about 60 percent of AAFES business, if not more, Mikulecky adds. Reebok has experienced tremendous growth with its attractive and comfortable sports shoes for men and women, with sales to AAFES in 1987 reaching about $15.5 million. To further expand, it's now increasing its range of children's shoes and adding some new models. One is a sports conditioning shoe that can be used for running, basketball, weightlifting; "it's not as specialized as other shoes," points out Reebok national accounts sales manager Kim Anderson. The concept of the all-purpose or "cross training" shoe is catching on all over, and Nike and other manufacturers also are making similar products.

Reebok gets some low points from several military buyers, however, for poor delivery, a situation created by the heavy demand for its products in recent years. "We don't get excellent shipping from Reebok," comments Bergman of Camp Pendleton. "If we could get as much as we order, we could sell more." Quantico buyer Sharon Cook agrees that Reebok has been hurt because of its shipping problems. "Reebok has lost most of its allure for my customers," adds Quantico merchandise manager John Hanlin. "Two years ago we couldn't get enough, but now it's being replaced by Nike." Having a centralized warehouse system helps reduce these delivery problems, though, says Mike Avallone of NAVRESSO. "Reebok delivers in what they call a 'two-month window,'" he explains. "Over that period we're getting about 95 percent of shipments."

With Nike and Reebok fighting it out for the number-one spot, several other shoe manufacturers are competing hard to be numbers three and four. Most exchanges carry New Balance, Pony, Converse, Adidas, Etonic, Tiger and several others, as well as lower-priced "house brands." Massachusetts-based New Balance has come on strong in the military in the past few years with its expensive but very well constructed shoes. The company emphasizes fit and support and is the only athletic shoe manufacturer to offer width sizes, a feature it touts loudly. Starting with a running shoe a decade ago, New Balance now has a full line of shoes that start in the $40 range, and go up near $100 for its top basketball shoes.

"For us, the military is a very attractive market," points out New Balance sales director Martin Walter. Military personnel can afford and are interested in performance shoes." Another feature New Balance promotes is that most of its shoes are made in the U.S., making it fairly unique in this market that is totally dominated by imports from the Far East. To be competitive, New Balance has developed hi-tech manufacturing methods using polyurethene injection molding machines and computerized stitching of shoe uppers.

Another U.S. manufacturer that sells well in the military is Converse, best known for its basketball shoes. It faces stiff competition, though, from a long list of importers. Adidas now is gaining in sales after a slump of several years; its sales to AAFES topped $3 million in 1987, up from very little the previous two years. Asics Tiger, with a gel cushioning in the shoe, is "climbing fast," says Bergman of Camp Pendleton. Fashion-oriented L.A. Gear and Fila are fairly hot sellers, as are Pony, Etonic and Avia. Kangaroo is very strong at the lower end of the price range, and is a major supplier of "house brand" merchandise to AAFES.

Although athletic shoes sales have been and still are strong, there is one

dark cloud looming on the horizon. Prices have been rising, and significant price hikes are expected over the next six months. So far, consumers have been willing to pay what the market demands; yesterday's $25 sports shoe is a minimum $40 today. And this fall it may be $60, with some items nearing the $100 mark. Avallone of NAVRESSO, however, is not too concerned about the situation: "I find that if we have something the consumer wants, price doesn't mean a thing." But some manufacturers and retailers are wondering if this traditionally price-resistant market now may begin to feel the pinch.

Although military exchanges will not be immune to the price-hike fever, they may be hurt less than the civilian market.

This current round of price increases, which may reach 20 percent by year-end, is the result of higher manufacturing costs all across the industry. Leather prices recently have tripled in some cases, while labor difficulties in Korea and the devaluation of the dollar are boosting costs of imports, particularly those from the Far East. Not all these manufacturing cost hikes will be passed on to retailers, but consumers will notice the increases by back-to-school shopping time and definitely by Christmas.

Although military exchanges will not be immune to the price-hike fever, they may be hurt less than the civilian market. Because the athletic shoe market is heavily dominated by brand names, exchanges have a definite advantage in their ability to keep markups down due to lower overhead. "We guarantee that our prices are at least 25 percent under commercial," points out Avallone of NAVRESSO. With prices rising overall, the lower-priced exchanges will look even better as the places to shop for athletic footwear.

Another impact from rising prices will be a bigger emphasis on house brands. While a single GI may not mind spending $60 for a pair of running shoes for himself, a military family may find it difficult to pay the brand name bill on shoes for three kids. Store brand children's shoes, in particular, are expected to gain market share, although the men's shoe market is more price resistant, comments Fleshman of Nike. "Men consumers make an easier transition to a high-priced technical shoe. But women and kids have less need for technical footwear." He expects more consumer resistance to price hikes at this end of the market.

To keep prices down, manufacturers are looking more to mainland China and other Asian countries such as Indonesia as sources for less expensive shoes. Changes in sourcing, though, may take months or years to bring any noticeable relief. For the immediate future, manufacturers are making an effort to "build more and more into the shoe to help justify the price," comments Reebok's Anderson. "We try to focus our advertising and merchandising to offset the perception that our products are overpriced."

In addition, multi-purpose shoes are expected to gain appeal. Cross-training shoes are slated for heavy fall promotion; what better way to save money than to buy one pair of shoes that can fill several needs? While these products are not suitable for heavy running, they're good for general use and ideal for travel.

Mike Mikulecky of AAFES predicts that the athletic shoe market will remain strong despite hefty price increases. "All kids wear athletic shoes today," he observes. "Aerobics are still strong, although this area has softened somewhat. Canvas is getting big. Basketball is very strong and running will be strong in the military all the time."

Walking shoes are an important growth category for New Balance, particularly at military exchanges with heavy retiree populations, points out Louis Snyder, president of U.S. Sales which markets several shoe brands to exchanges. He predicts steady growth potential for athletic footwear because "people want to be more comfortable, and more casual." The Timberland Company also offers high-quality walking and boating shoes in the exchanges, distinguished by genuine hand-sewn moccasin construction and waterproof materials. Hanlin of Quantico also detects a growing interest in walking shoes that offer top quality. "Today we can sell them at $50, but two years ago we couldn't give them away for $25."

More and more technical features will be built into shoes, predicts Fleshman of Nike. "Better cushioning, better stability will help reduce injuries, provide a better fit and longer durability." One new concept is the "energy return system" which Bergman of Camp Pendleton envisions will be "the wave of the future" in athletic shoes. Converse, she says, has a compressed pad in its shoe that bounces back. "When you land, the shoe returns some of your energy to you," explains the buyer. Reebok and Nike are also developing products in this new category.

"All manufacturers are making evolutionary changes in shoe construction," observes Hanlin of Quantico. He considers "energy return" one of these changes that will have some appeal, but not revolutionize the industry. The bottom line, of course, Hanlin adds, is to have a good quality product at a competitive price. As long as military exchanges fill this bill, the market will stay hot in athletic footwear. ■

The Military Sweet Tooth

BY JEANNE VOLTZ

The classic image of a frothily-clad female idly nibbling bon bons given her by an admirer has gone by the boards. The average candy eater today is likely to be a hard-working individual of any age. Candy is rarely a gift of romance; rather, it is an everyday pleasure purchased by the eater or another family member.

Candy may be nibbled en route home from the store, tucked away in a tennis, book or gym bag to eat after exercise, or go along in a picnic basket or hiking backpack. Today's candy eater is active, in the swing, and enjoying candy as a facet of the good life.

The "Affordable Luxury"

Candy remains an indulgent treat, one of the "affordable luxuries," a term applied to such foods as caviar, exotic seafoods, "designer" vegetables and fruits and luxurious desserts. These foods provide instant gratification when a BMW, Mercedes or boat cannot be squeezed into an overextended budget.

Almost everybody has a few dimes or dollars to splurge on candy. It is an instant luxury, an entitlement.

In commissaries, exchanges, ship stores and other military sales spots all over the world, shoppers pick up bags full of candies and confections as they do elsewhere—on impulse. Hardly anyone goes to market with candy, chewing gum or confections on the list. But once in the store, they see it and buy it.

Candy manufacturers say that 70 percent of candy buyers make the purchase on impulse, with no prior planning. Maureen Murray, public affairs officer for Navy Resale and Services Support Office (NAVRESSO), puts impulse purchases in Navy exchanges at 85 percent, and says front end displays cater to spur-of the-moment buying.

Florence Dunn, public affairs specialist for U.S. Army Troop Support Agency (TSA), points out candy displays near meat counters in the commissary where she shops in Virginia: "The moms are at the meat counter figuring out what to buy for dinner and the children are going through the candy display to choose their treats for the day," she says.

Favorite Treats

Once the urge to buy candy strikes, brand loyalty is strong. Second best simply will not do. A whopping 92 percent of impulse buyers are turned on by a certain candy, report Navy exchange officers. A shopper will skip candy in one store and stop at another place if the candy counter at hand does not provide his or her favorite. As a result, keeping sufficient supplies of favorite confections in stock is top priority for military buyers and management.

Warehousing candies for long-term storage, however, is inadvisable. Not only is space at a premium, but some candies lose freshness rapidly. They are not as palatable after storage, as candy buyers are quick to tell store personnel.

NAVRESSO authorizes smaller stores in isolated areas to buy from local distributors as needed, to prevent overloads of warehoused candies. Stores on ships on long-term cruises have stocks replenished periodically by supply ships so that stocks do not become depleted on candies and confections, as well as on other items.

Generally, military shoppers' tastes in candies follow national preferences. Top favorites include M&M chocolates, M&M with peanuts, Kit Kat, Reese Peanut Butter Cups, Hershey bars and Snickers bars, Hershey Kisses,

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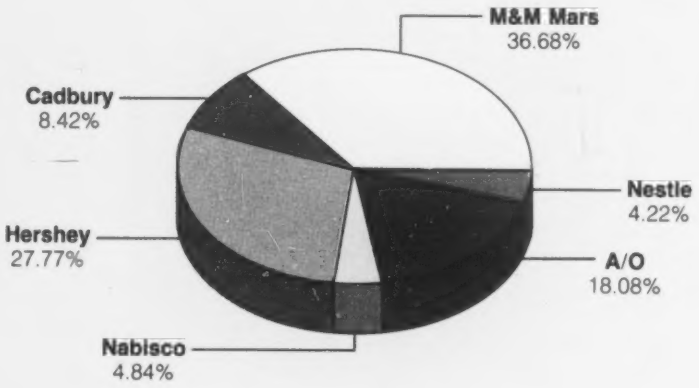
Jeanne Voltz is a freelance food editor in New York City. A contributing editor of NASFT Showcase, *she writes frequently about food and business.*

CHOCOLATE CANDY

Current 12 Months Manufacturers Summary

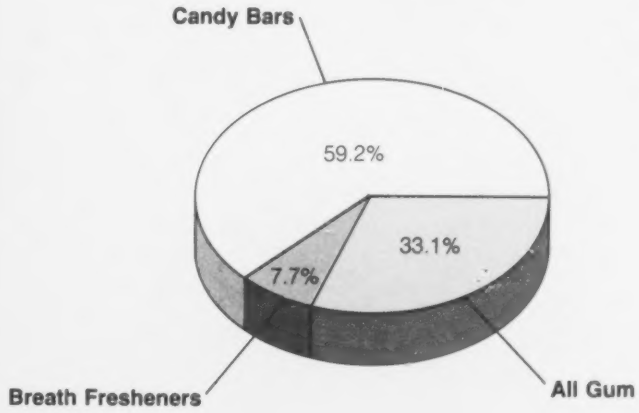


*As of December 31, 1987
Source: Military Audits of Market Information, Inc.

TOP 25 CANDY ITEMS DELIVER

Candy is the Leader in Checkout Confectionery Sales*

- 98% more sales and 69% more profit than the top 25 gum items.
- 59% more sales and 36% more profit than the top 25 gum items combined with the top 10 breath fresheners.



Source: SAMI Top 100 Ranking Singles 1986

Milky Way and Nestle's Crunch, not necessarily in that order.

Gum, roll candies and breath fresheners are also merchandised in the candy departments. These too have loyal customers, but volume doesn't match that of the top-selling bag candies.

Purchases of candy and confections increase slightly each year. In 1987, sales were up 3.4 percent worldwide in Navy exchanges, says Murray. Dollar volume is impressive—$31 million in Air Force Commissary Service (AFCOMS) in 1987, says Mike Hawkins, public affairs specialist.

Purchases are pretty consistent around the world, with one notable exception. New Englanders buy more candy per capita than others worldwide, reports Hawkins.

Once the urge to buy candy strikes, brand loyalty is strong.

Holiday Candy Jubilee

Candy sales are highly seasonal, even though some candy is sold all through the year. The heaviest months for Air Force outlets are September and October, especially around Halloween, prime candy-selling time in most outlets. Christmas, Easter and Valentine's Day also stimulate candy sales, and some commissary and exchange officers report brisk sales of boxed candies for Mother's Day.

Most candy sold in commissaries, exchanges, ships' stores and other military outlets is in multipack bags. Boxed chocolates and other high-end items

are added to the usual selections for candy-giving holidays.

Some stores sell deluxe boxed candies only on order, to avoid the pitfalls of overstocking expensive items or warehousing fine chocolates and confections. C.J. Corrada, manager of the Northwest Region, Air Force commissaries, says seasonal novelties such as chocolate bunnies for Easter or heart-shaped candies for Valentine's Day are ordered a bit below sales expectations. Commissary shoppers seem to get the hang of buying ahead of the holiday to make sure celebration candy is available. "A chocolate bunny on Easter Monday is as old as a dried-up Christmas tree after Twelfth Night," observes Corrada.

Mother's Day is generally quiet for candy sales, although a few individual commissaries and exchanges report selling small amounts of boxed candies, instead of the more usual lingerie, kitchen gadgets or jewelry, for Mom on her day.

Commissaries and exchanges usually keep a few small boxed candies and other gift items in stock for hostess gifts and other small presents that given now and then throughout the year.

Health and Fitness

Candy, a food valued for pleasure instead of for nutritional value, would seem counter-productive to a healthy diet.

The Navy has addressed the health issue head on. In a meeting last year, officials voted to require choices that are perceived as healthy. It is mandatory for Navy exchanges to give front-end prominence in what is now called candy and snack foods to a selection of alternatives perceived as healthy. The choices include dried soup and nuts, bags of dried fruits, trail-mix style snacks and granola bars.

Military personnel, as the population in general, buy for health, or say they do, and some candies aimed at the health-conscious sell reasonably well. Most prominent are sugar-free roll candies, mints, breath fresheners and sugarless gum.

But sugar-free sells only with certain users and rates lower in sales than conventional candies. A sugar-free substitute to popular roll candy sells at a ratio of about 45 units sugar-free, to 770 units of the old reliable flavored roll candy. The diet selections in commissaries, exchanges and other military resale outlets are primarily in mints and hard roll candies. Calorie-reduced chocolates and other rich candies with lower calories and lower sugar attributes are hardly seen in this market.

Roll candies with fruit juice flavors are targeted by health-seeking shoppers, according to the manufacturers. In grape, strawberry and citrus flavors, they sell well.

Sugar-free gum is the strongest health-oriented item, possibly in response to warnings from dentists that sugar that stays on the teeth contributes to dental decay.

M&M has tackled health problems heartily, with literature on the role of sugars, as well as several other factors in dental problems. A brochure describing other foods, the role of heredity, personal dental hygiene and nutrition as they affect dental health is distributed to commissary and exchange buyers, and will be provided in quantities for customers, according to the company.

Another brochure shows candy as

PACKAGED CANDY SALES

(Total U.S.)

Bite-Size Chocolates	20.6%
Multi-Packs	18.7%
Candy Covered Chocolates	9.9%
Hard Sugar	9.4%
Chewies	7.1%
Large Bars	6.8%
Solid Chocolate	5.9%
Gum Multi-Packs	4.2%
Covered Creams	3.2%
Soft Sugar	2.7%
All other	7.1%

Source: SAMI

70% of candy buyers make the purchase on impulse.

CONFECTIONERY CONSUMPTION

Country	Per Capita Consumption in Pounds/Per Year
1. Holland	39.8
2. Belgium	29.9
3. West Germany	27.8
4. Switzerland	27.1
5. United Kingdom	26.0
6. Sweden	21.2
7. United States	17.7

Source: Mars, Incorporated International Comparison.

CANDY CONSUMPTION BY AGE GROUP

	1-7	8-12	13-17	18-24	25-34	35+	Total
Past Three Days	55%	72%	77%	58%	44%	35%	49%
Past Week	73	92	92	75	67	56	70%
Past Month	85	98	97	91	85	80	86%
Past Six Months	88	100	99	94	95	90	92%

Source: AAPU

one of the foods in a well-balanced diet of many types of food. It tags candy for its most significant contribution to human nutrition—as a carbohydrate. Food and exercise are balanced in tables in this leaflet. A 154-pound person cross-country skiing at six miles an hour can work off a Snickers or Milky Way bar in 20 minutes, the literature promises.

Candy Galore

A candy display in a commissary or exchange generally consists of shelves stacked with candies with a dazzling array of colorful wrappers. Individual packages are wrapped in factory-sealed bags or in rebagged selections assembled at store level. Almost no single-serving bars are sold, except in vending machines in certain installations, due to pilferage and the labor required to stock and maintain attractive displays of single bars.

"We have candy sections now," says Richard Majeski, complex director of commissary stores for the Western region of the Marine Corps. "The assortment is so big that we can't show it at the checkout counter as well as we can in a well-maintained section."

Good Housekeeping

Maintaining neat displays is essential for commissary managers, who assign workers to the chore to keep sales up to par. The look-and-buy factor works so strongly with candy that damaged packages and dusty wrappings can be deadly.

Shelves are stocked regularly so that candies and confections do not go stale before they are sold. In many cases, manufacturers' representatives assist in keeping store stocks replenished. For instance, World's Finest Chocolate in Illinois employs a broker, who in turn employs sub-brokers to service commissary and exchange accounts.

Good Merchandising

Shelf space is allotted by carefully prepared charts that show space available and items to be placed as wanted, either near center, higher or lower—also known as a planogram. All service branches work from shelf management programs designed to move products faster.

Popular items get eye-level and easy-reach positions for convenience in Navy exchanges. Items and quantities are selected on the basis of sales data, according to Murray of NAVRESSO.

Service branches support manufacturers' promotions enthusiastically. Deep price cuts and coupons prompt store managers to stock extra products to meet the demand. Military retail personnel claim to go along with special sales campaigns as enthusiastically, if not more so, than civilian retailers.

A blockbuster TV advertising schedule can sell tons of candy and confections. And store operators ride the booming tide. Elton Solarzano, military sales planner for Nabisco, says a hard-hitting TV campaign for candies has more impact on shoppers in commissaries and exchanges than it does in civilian markets. Due to the military lifestyle and family isolation at times, service families watch television more frequently than the general population.

"The promotion hook is very important to us," says Mike Hawkins of the Air Force Commissary Service. "DCP (deep price cuts), coupons and media attention push up sales noticeably. We tune into projected increases to ensure that plenty of products are available."

The New With The Old

A new product with a heavy-hitting introductory program always stirs up interest in the candy category. But military store operators haven't had a hot new item in the last year or so, they say.

Many companies are devoting major promotional efforts to existing brands. M&M is promoting its popular chocolates and peanut-filled chocolates. At the same time, the company is giving a special push to Starburst, a non-chocolate confection, report Navy store operators. Warner-Lambert is expanding Razzles, another non-chocolate item and a Starburst competitor.

The new product line in some military stores is liqueur-flavored chocolates and liqueur-filled novelty candies of a style that has been available in Europe for many years, but was not legal in the U.S. until local liquor laws restricting alcoholic content of candies were modified in recent years.

The showing of more sugarless confections is also relatively new, in that gradually the diet candies will take a larger share of the market.

But nothing quite matches a rich chocolate or nut-filled bar—your flavor, your treat—or a handful of munchable candies tucked in a grocery bag to eat in a moment of honest self-indulgence.

Who is to say that pleasure is not a human need? Candies and chocolates say it is. ■

7th Annual Exchange Sales Report FY 1987

BY JULIE BAILES LEGG

The ALA is indebted to the Army and Air Force Exchange Service (AAFES), Navy Resale and Services Support Office (NAVRESSO), Marine Corps Exchange Service (MCES), and U.S. Coast Guard (Resale and Subsistence Division) for their invaluable cooperation and assistance with providing the data necessary for this report.

Julie Bailes Legg is the editor of Interservice *magazine.*

Index to Reports

	Page
AAFES Sales by Retail Department	
AAFES-wide 92 · Alamo Region 98 · Capitol Region 100 · Golden Gate Region 102 · Ohio Valley Region 106 · Southeast Region 108 · AAFES-Europe 110 · AAFES-Pacific 112	
AAFES Sales By Activity	94
AAFES Coupon Redemptions	96
AAFES Sales Summary By Exchange Region	96
AAFES Geographic Sales Summary	96
AAFES Sales By CONUS Exchange	114
AAFES Sales By Overseas Exchange	124
Coast Guard Sales By NAFA	134
Navy Sales By Retail Department	136
Navy Sales By Service Department	137
Navy Sales By CONUS Exchange	138
Navy Sales By Overseas Exchange	146
Marine Corps Sales By CONUS Exchange	150
Marine Corps Sales By Overseas Exchange	151

AAFES Exchange Sales
(FY87)

Summary of Sales by Retail Department ($ in Thousands)

Department/Dept. Code	Domestic $	Domestic %	Overseas $	Overseas %	Mail Order $	Mail Order %	Worldwide $	Worldwide %
Automotive/01	84,139	3.1	45,065	2.4	124	0.3	129,328	2.8
Gasoline/02	253,837	9.4	128,535	6.8			382,372	8.3
Automotive Labor/03	13,680	0.5	2,804	0.1			16,484	0.4
Tobacco Products/10	96,362	3.6	36,753	2.0	15	0.0	133,130	2.9
DPSC Merchandise/19	123,190	4.6	44,557	2.4			167,747	3.6
Food, Candy & Snacks/20	157,219	5.8	139,251	7.4	122	0.3	296,592	6.4
Beer and Beverages/23	128,320	4.8	104,689	5.6			233,009	5.1
Toiletries/30	141,222	5.3	79,349	4.2	422	1.0	220,993	4.8
Cosmetics & Fragrances/3	77,124	2.9	35,335	1.9			112,459	2.4
Military Wear/40	60,370	2.2	24,085	1.3	84,455	1.8		
Jewelry/50	27,139	1.0	14,879	0.8	6,855	15.6	48,873	1.1
Watches/51	33,843	1.3	19,070	1.0	26	0.1	52,939	1.1
Precious & Semi-Precious Jewelry/56	50,715	1.9	43,141	2.3	33	0.1	93,889	2.0
Stationery/60	131,753	4.9	61,344	3.3	955	2.2	194,052	4.2
Men's Clothing/70	56,546	2.1	40,797	2.2	195	0.4	97,538	2.1
Men's Furnishings/71	105,309	3.9	62,936	3.4	148	0.3	168,392	3.7
Women's Outerwear/72	94,279	3.5	61,170	3.3	386	0.9	155,835	3.4
Women's Lingerie/73	60,914	2.3	25,843	1.4	435	1.0	87,192	1.9
Boyswear/74	27,129	1.0	19,097	1.0			46,226	1.0
Girlswear/75	20,776	0.8	16,797	0.9	9	0.0	37,582	0.8
Infants' & Toddlers' Wear/76	32,953	1.2	25,282	1.3	16	0.0	58,251	1.3
Footwear/77	103,634	3.9	56,361	3.0	813	1.8	160,809	3.5
Linens & Domestics/78	43,478	1.6	30,333	1.6	495	1.1	74,306	1.6
Yardage, Notions & Sewing Accessories/79	8,923	0.3	12,826	0.7	558	1.3	22,307	0.5
Dinnerware & Flatwear/80	12,006	0.4	7,606	0.4	4,080	4.7	21,692	0.5
Kitchenware, Pots & Pans/81	33,380	1.2	20,959	1.1	472	1.1	54,811	1.2
Giftware/82	29,820	1.1	31,688	1.7	4,320	9.8	65,828	1.4
Cleaning Supplies/83	37,242	1.4	21,228	1.1	40	0.1	58,510	1.3
Traffic & Major Appliances/85	57,108	2.1	40,459	2.2	1,282	2.9	98,849	2.1
Furniture & Rugs/86	26,474	1.0	44,366	2.4	2,169	4.9	73,009	1.6
Supplies/87	72,975	2.7	26,187	1.4	100	0.2	99,262	2.2
Luggage/88	19,736	0.7	8,749	0.5	197	0.4	28,682	0.6
Outdoor Living/89	65,976	2.5	9,635	0.5	72	0.2	75,683	1.6
Sporting Goods & Camping Supplies/91	39,307	1.5	23,901	1.3	1,235	2.8	64,443	1.4
Developed Film/92	15,457	0.6	3,596	0.2			19,054	0.4
Photographic, Optical & Photo Processing/93	53,842	2.0	45,101	2.4	3,851	6.5	101,794	2.2
Toys & Games/95	53,802	2.0	56,553	3.0	959	2.2	111,314	2.4
Video Tape Rentals/96	820	/a	355	/a	/a	/a	1,175	/a
Home Entertainment/Computers & Musical Instruments/97	195,491	7.3	346,91	18.5	16,328	37.1	558,736	12.1
Records & Recorded Tapes, Video Cassettes/98	42,807	1.6	60,543	3.2	303	0.7	103,653	2.2
Total	**$2,689,097**	**100.0%**	**$1,878,142**	**100.0%**	**$44,015**	**100.0%**	**$4,611,255**	**100.0%**

Note: AAFES sales for FY87 are preliminary and unaudited.
/a New retail department.

AAFES Worldwide Direct Sales By Activity
(FY87)

Retail ($ in Thousands)

Activity Description	Sales	% Total
Main Store	2,590,406	56.17
Branch Retail Store	474,477	10.29
Specialized Retail Store	794,416	17.23
Auto Parts	464,593	10.07
Delicatessen (Foodland)	214,334	4.65
Concession (Exchange Mdse)	7,685	0.17
Miscellaneous	65,347	1.42
Total Retail	**$4,611,257**	**100.00%**

Food ($ in Thousands)

Activity Description	Sales	% Total
Cafeteria I	88,107	17.60
Cafeteria II	102,441	20.46
Cafeteria III	81,870	16.35
Food Franchise Operations	132,970	26.56
Mobile Snack Bar	20,578	4.11
School Lunch Feeding Program	11,771	2.35
Snack Stand	22,103	4.42
Delicatessen	18,595	3.72
Ice Cream Store	18,233	3.64
Miscellaneous	3,955	0.79
Total Food	**$500,621**	**100.00%**

Note: Totals may not add due to rounding.

Services ($ in Thousands)

Activity Description	Sales	% Total
Bus or Taxi Service	329	0.51
Automated Car Wash Service	90	0.14
Vehicle Inspection Station	68	0.10
Barber Shop (Direct)	130	0.20
Beauty Shop	252	0.39
Laundry/Dry Cleaning Services	31	0.05
Appliance Repair	199	0.31
Flower Shop		
Rental Service	1,492	2.31
Recreation Type Service	12	0.02
Service Pick-Up-Point (Direct)	3,311	5.12
Delivery Service	953	1.47
Motion Picture Theater	30,268	46.79
Service Pick-Up-Point (Concessions)	26,827	41.47
Service Activities	724	1.12
Total Services	**$64,687**	**100.00%**

Vending ($ in Thousands)

Activity Description	Sales	% Total
Consumable Products Machines	133,184	91.08
Nonconsumable Products Machines	2	
Service Vending Machines	148	0.10
Coin Operated Car Wash	224	0.13
Random Washer & Dryer Machines	4	
Launderette Service	4,430	3.03
Jukebox	1,337	0.92
Amusement/Games Machines	7,023	4.80
Miscellaneous	-119	-0.08
Total Vending	**$146,232**	**100.00%**

AAFES Exchange Coupon Redemptions
(FY87)

($ in Thousands)

CONUS Region	Number	% of CONUS	% of Worldwide	$ Value	% of CONUS	% of Worldwide
Alamo	1,234,993	24	20	506,002	12	11
Southeast	946,683	18	16	668,881	16	15
Capitol	1,102,571	21	18	1,190,297	29	26
Golden Gate	775,806	15	13	614,798	15	14
Ohio Valley	1,162,972	22	19	1,100,134	27	24
CONUS Totals	**5,223,025**	**100%**	**86%**	**$4,080,114**	**100%**	**90%**

Overseas Region	Number	% of Overseas	% of Worldwide	$ Value	% of Overseas	% of Worldwide
Europe	304,238	39	5	167,233	36	4
Pacific	485,279	61	8	294,472	64	6
Overseas Totals	**789,517**	**100%**	**13%**	**461,705**	**100%**	**10%**
Worldwide Total	**6,012,542**			**$4,541,820**		

Note: Totals may not add due to rounding.

Geographic Sales Summary
(FY87)

($ in Thousands)

Category	Domestic	Overseas	Mail Order	Worldwide
Retail	2,689,098	1,878,143	44,016	4,611,257
Food	224,363	276,258	0	500,621
Services	11,957	52,730	0	64,687
Vending	71,194	75,038	0	146,232
Concessions	306,200	225,714	0	531,914
Total	**$3,302,812**	**$2,507,883**	**$44,016**	**$5,854,711**

Note: Totals may not add due to rounding.

Exchange Store Census

This table provides a geographic breakdown of the number of military exchange stores in operation and reporting sales as of July 31, 1988. Included are both main and branch stores.

	CONUS
Total DoD	**285**
Army and Air Force (AAFES)	126
Navy	102
Coast Guard	44
Marine Corps	13
	Overseas
Total DoD	**82**
Army and Air Force (AAFES)	27
Navy	38
Coast Guard	13
Marine Corps	4
	Worldwide
Total DoD	**367**
Army and Air Force (AAFES)	153
Navy	140
Coast Guard	57
Marine Corps	17

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Domestic Sales by Exchange Region
(FY87)

($ in Thousands)

Exchange Region	Retail Net Sales	Food Net Sales	Services Net Sales	Vending Sales	Concession Sales	Total
Alamo	497.4	41.1	1.5	10.0	65.5	618.4
Capitol	501.4	30.5	2.3	11.4	51.5	597.2
Golden Gate	552.9	53.1	2.4	12.7	59.1	680.2
Ohio Valley	469.5	46.7	2.5	16.2	52.5	587.5
Southeast	667.6	52.9	3.3	20.9	74.5	819.2
HQ Activities	2.8	0.0	0.0	0.0	0.0	2.8
Total	**$2,689.1**	**$224.4**	**$12.0**	**$71.2**	**$306.2**	**3,302.8**

Note: Totals may not add due to rounding.

AAFES Exchange Sales
(FY87)

Alamo Exchange Region Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Domestic Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	16,312	3.3	19.4	12.6	14,604	10.5
Gasoline/02	46,008	9.2	18.1	12.0	38,079	17.2
Automotive Labor/03	2,131	0.4	15.6	12.9	1,970	7.6
Tobacco Products/10	16,824	3.4	17.5	12.6	17,375	-3.3
DPSC Merchandise/19	21,512	4.3	17.5	12.8	19,853	7.7
Food, Candy & Snacks/20	28,467	5.7	18.1	9.6	27,965	1.8
Beer and Beverages/23	23,625	4.7	18.4	10.1	23,724	-0.4
Toiletries/30	26,383	5.3	18.7	12.0	25,126	4.8
Cosmetics & Fragrances/34	15,981	3.2	20.7	14.2	14,974	6.3
Military Wear/40	12,340	2.5	20.4	14.6	11,491	6.9
Jewelry/50	5,216	1.0	19.2	12.4	4,855	6.9
Watches/51	7,230	1.5	21.4	13.7	5,620	22.3
Precious & Semi-Precious Jewelry/56	9,378	1.9	18.5	10.0	9,373	0.1
Stationery/60	24,418	4.9	18.5	12.6	24,233	0.8
Men's Clothing/70	11,211	2.3	19.8	11.5	10,102	9.9
Men's Furnishings/71	19,063	3.8	18.1	11.3	18,795	1.4
Women's Outerwear/72	18,057	3.6	19.2	11.6	14,866	17.7
Women's Lingerie/73	12,236	2.5	20.1	14.1	11,175	8.7
Boyswear/74	4,754	1.0	17.5	10.3	4,777	-0.5
Girlswear/75	3,834	0.8	18.5	10.2	3,730	2.7
Infants' & Toddlers' Wear/76	5,778	1.2	17.5	9.9	5,771	0.1
Footwear/77	19,722	4.0	19.0	12.3	18,352	6.9
Linens & Domestics/78	7,925	1.6	18.2	10.7	7,733	2.4
Yardage, Notions & Sewing Accessories/79	1,968	0.4	22.1	9.0	2,632	-33.7
Dinnerware & Flatwear/80	2,575	0.5	21.4	13.1	2,032	21.1
Kitchenware, Pots & Pans/81	5,825	1.2	17.5	10.7	5,048	13.3
Giftware/82	4,601	0.9	15.4	7.5	3,918	14.8
Cleaning Supplies/83	7,904	1.6	21.2	13.5	7,385	6.6
Traffic & Major Appliances/85	9,368	1.9	16.4	9.6	10,112	-7.9
Furniture & Rugs/86	3,848	0.8	14.5	5.4	3,779	1.8
Supplies/87	13,748	2.8	18.8	13.9	11,831	13.9
Luggage/88	4,708	0.9	23.9	16.5	4,561	3.1
Outdoor Living/89	14,814	3.0	22.5	19.6	13,275	10.4
Sporting Goods & Camping Supplies/91	6,756	1.4	17.2	10.7	7,191	-6.4
Developed Film/92	2,971	0.6	19.2	15.6	2,799	5.8
Processing/93	9,765	2.0	18.1	9.9	10,162	-4.1
Toys & Games/95	9,702	2.0	18.0	8.7	8,594	11.4
Video Tape Rentals/96*	3	—	—	—	—	—
Home Entertainment/Computers & Musical Instruments/97	33,127	6.7	16.9	6.1	28,627	13.6
Records & Tapes, Video Cassettes/98	7,295	1.5	17.0	7.0	6,430	11.9
Total	**$497,383**	**100.0%**	**18.5%**	**11.4%**	**$462,919**	**6.9%**

* New retail department.

AAFES Exchange Sales
(FY87)

Capitol Exchange Region Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Domestic Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	16,223	3.2	19.3	12.6	14,299	11.9
Gasoline/02	44,743	8.9	17.6	11.7	37,491	16.2
Automotive Labor/03	2,238	0.4	16.4	13.6	2,106	5.9
Tobacco Products/10	21,854	4.4	22.7	16.4	21,528	1.5
DPSC Merchandise/19	24,038	4.8	19.5	14.3	20,387	15.2
Food, Candy & Snacks/20	26,513	5.3	16.9	8.9	24,293	8.4
Beer and Beverages/23	19,196	3.8	15.0	8.2	17,550	8.6
Toiletries/30	28,100	5.6	19.9	12.7	25,701	8.5
Cosmetics & Fragrances/34	15,135	3.0	19.6	13.5	13,675	9.6
Military Wear/40	12,310	2.5	20.4	14.6	11,235	8.7
Jewelry/50	5,481	1.1	20.2	13.0	4,719	13.9
Watches/51	5,875	1.2	17.4	11.1	4,935	16.0
Precious & Semi-Precious Jewelry/56	9,042	1.8	17.8	9.6	7,316	19.1
Stationery/60	23,983	4.8	18.2	12.4	22,218	7.4
Men's Clothing/70	11,827	2.4	20.9	12.1	10,957	7.4
Men's Furnishings/71	22,630	4.5	21.5	13.5	20,268	10.4
Women's Outerwear/72	19,081	3.8	20.2	12.3	15,239	20.1
Women's Lingerie/73	13,799	2.8	22.7	15.9	12,740	7.7
Boyswear/74	5,740	1.1	21.2	12.4	5,357	6.7
Girlswear/75	4,078	0.8	19.6	10.9	3,891	4.6
Infants' & Toddlers' Wear/76	6,390	1.3	19.4	11.0	6,153	3.7
Footwear/77	19,589	3.9	18.9	12.2	17,028	13.1
Linens & Domestics/78	9,137	1.8	21.0	12.4	8,604	5.8
Yardage, Notions & Sewing Accessories/79	1,415	0.3	15.9	6.5	2,229	-57.5
Dinnerware & Flatwear/80	2,119	0.4	17.6	10.8	1,833	13.5
Kitchenware, Pots & Pans/81	6,352	1.3	19.0	11.7	5,433	14.5
Giftware/82	7,955	1.6	26.7	12.9	6,245	21.5
Cleaning Supplies/83	6,644	1.3	17.8	11.4	5,974	10.1
Traffic & Major Appliances/85	9,202	1.8	16.1	9.4	9,406	-2.2
Furniture & Rugs/86	2,502	0.5	9.5	3.5	2,205	11.9
Supplies/87	14,732	2.9	20.2	14.9	12,728	13.6
Luggage/88	3,564	0.7	18.1	12.5	3,217	9.7
Outdoor Living/89	12,376	2.5	18.8	16.4	10,650	13.9
Sporting Goods & Camping Supplies/91	5,232	1.0	13.3	8.3	4,565	12.7
Developed Film/92	2,526	0.5	16.3	13.3	2,422	4.1
Processing/93	10,931	2.2	20.3	11.0	10,597	3.1
Toys & Games/95	8,266	1.6	15.4	7.4	7,490	9.4
Video Tape Rentals/96*	75	—	—	—	—	—
Home Entertainment/Computers & Musical Instruments/97	34,069	6.8	17.4	6.3	28,427	16.6
Records & Tapes, Video Cassettes/98	6,475	1.3	15.1	6.2	4,696	27.5
Total	**$501,436**	**100.0%**	**18.6%**	**11.5%**	**$445,807**	**11.1%**

* New retail department

AAFES Exchange Sales
(FY87)

Golden Gate Exchange Region Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Domestic Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	17,724	3.2	21.1	3.7	17,201	3.0
Gasoline/02	66,771	2.1	26.3	7.5	61,426	8.0
Automotive Labor/03	4,266	0.8	31.2	5.9	3,647	14.5
Tobacco Products/10	15,268	2.8	15.8	1.5	15,162	0.7
DPSC Merchandise/19	19,790	3.6	16.1	1.8	17,509	11.5
Food, Candy & Snacks/20	32,858	5.9	20.9	1.1	32,341	1.6
Beer and Beverages/23	19,769	3.6	15.4	8.5	20,050	-1.4
Toiletries/30	26,698	4.8	18.9	2.1	25,473	4.6
Cosmetics & Fragrances/34	15,406	2.8	20.0	3.7	14,190	7.9
Military Wear/40	9,221	1.7	15.3	0.9	9,248	-0.3
Jewelry/50	4,593	0.8	16.9	0.9	4,614	-0.5
Watches/51	5,739	1.0	17.0	0.8	4,573	20.3
Precious & Semi-Precious Jewelry/56	11,571	2.1	22.8	2.3	9,632	16.8
Stationery/60	27,299	4.9	20.7	4.1	25,328	7.2
Men's Clothing/70	11,276	2.0	19.9	1.6	9,842	12.7
Men's Furnishings/71	18,775	3.4	17.8	1.2	16,976	9.6
Women's Outerwear/72	20,249	3.7	21.5	3.0	15,704	22.4
Women's Lingerie/73	12,242	2.2	20.1	4.1	11,447	6.5
Boyswear/74	5,856	1.1	21.6	2.7	5,382	8.1
Girlswear/75	4,727	0.9	22.8	2.6	4,193	11.3
Infants' & Toddlers' Wear/76	7,432	1.3	22.6	2.8	7,538	-1.4
Footwear/77	18,323	3.3	17.7	1.5	16,478	10.1
Linens & Domestics/78	9,457	1.7	21.8	2.8	8,571	9.4
Yardage, Notions & Sewing Accessories/79	1,823	0.3	20.4	8.4	2,185	19.9
Dinnerware & Flatwear/80	2,691	0.5	22.4	3.7	1,897	29.5
Kitchenware, Pots & Pans/81	7,944	1.4	23.8	4.6	7,021	11.6
Giftware/82	7,200	1.3	24.1	1.7	6,409	11.0
Cleaning Supplies/83	6,218	1.1	16.7	0.6	6,022	3.2
Traffic & Major Appliances/85	12,596	2.3	22.1	2.9	11,307	10.2
Furniture & Rugs/86	6,722	1.2	25.4	9.5	4,840	28.0
Supplies/87	13,541	2.4	18.6	3.7	12,298	9.2
Luggage/88	3,090	0.6	15.7	0.8	2,757	10.8
Outdoor Living/89	11,965	2.2	18.1	5.8	9,858	17.6
Sporting Goods & Camping Supplies/91	10,021	1.8	25.5	5.9	9,839	1.8
Developed Film/92	3,835	0.7	24.8	0.1	3,761	1.9
Processing/93	12,093	2.2	22.5	2.2	12,082	0.1
Toys & Games/95	13,199	2.4	24.5	1.8	11,915	9.7
Video Tape Rentals/96*	661	0.1	—	—	—	—
Home Entertainment/Computers & Musical Instruments/97	45,107	8.2	23.1	8.3	36,260	19.6
Records & Tapes, Video Cassettes/98	8,865	1.6	20.7	8.5	6,744	23.9
Total	**$552,881**	**100.0%**	**20.6%**	**12.7%**	**$501,720**	**9.3%**

* New retail department

AAFES Exchange Sales
(FY87)

Ohio Valley Exchange Region Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Domestic Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	14,478	3.1	17.2	1.2	14,160	2.2
Gasoline/02	44,890	9.6	17.7	1.7	35,161	21.8
Automotive Labor/03	2,415	0.5	17.7	4.7	1,987	17.7
Tobacco Products/10	22,053	4.7	22.9	6.6	22,506	-2.1
DPSC Merchandise/19	28,691	6.1	23.3	7.1	25,074	12.6
Food, Candy & Snacks/20	29,661	6.3	18.9	0.0	28,932	2.5
Beer and Beverages/23	21,030	4.5	16.4	9.0	19,690	6.4
Toiletries/30	23,223	4.9	16.4	0.5	22,135	4.7
Cosmetics & Fragrances/34	11,051	2.4	14.3	9.8	10,365	6.2
Military Wear/40	14,809	3.2	24.5	7.5	12,393	16.3
Jewelry/50	5,325	1.1	19.6	2.7	4,816	9.6
Watches/51	5,275	1.1	15.6	0.0	4,926	6.6
Precious & Semi-Precious Jewelry/56	7,528	1.6	14.8	8.0	7,185	4.6
Stationery/60	24,913	5.3	18.9	2.9	23,777	4.6
Men's Clothing/70	9,959	2.1	17.6	0.2	9,027	9.4
Men's Furnishings/71	17,740	3.8	16.8	0.5	16,018	9.7
Women's Outerwear/72	15,722	3.3	16.7	0.1	12,082	23.2
Women's Lingerie/73	8,503	1.8	14.0	9.8	8,130	4.4
Boyswear/74	4,204	0.9	15.5	9.1	4,039	3.9
Girlswear/75	3,294	0.7	15.9	8.8	3,067	6.9
Infants' & Toddlers' Wear/76	5,147	1.1	15.6	8.8	5,094	1.0
Footwear/77	18,668	4.0	18.0	1.7	16,264	12.9
Linens & Domestics/78	6,545	1.4	15.1	8.9	6,369	2.7
Yardage, Notions & Sewing Accessories/79	1,474	0.3	16.5	6.8	1,981	34.4
Dinnerware & Flatwear/80	1,801	0.4	15.0	9.2	1,292	28.3
Kitchenware, Pots & Pans/81	5,130	1.1	15.4	9.4	4,562	11.1
Giftware/82	4,026	0.9	13.5	6.5	3,614	10.2
Cleaning Supplies/83	6,571	1.4	17.6	1.2	6,417	2.3
Traffic & Major Appliances/85	7,982	1.7	14.0	8.2	8,674	-8.7
Furniture & Rugs/86	2,351	0.5	8.9	3.3	2,481	-5.5
Supplies/87	12,431	2.6	17.0	2.5	10,829	12.9
Luggage/88	3,454	0.7	17.5	2.1	3,501	-1.4
Outdoor Living/89	10,251	2.2	15.5	3.6	8,507	17.0
Sporting Goods & Camping Supplies/91	5,692	1.2	14.5	9.0	5,149	9.5
Developed Film/92	2,933	0.6	19.0	5.4	2,823	3.8
Processing/93	8,548	1.8	15.9	8.6	8,949	-4.7
Toys & Games/95	9,555	2.0	17.8	8.5	8,125	15.0
Video Tape Rentals/96*	81	—	—	—	—	—
Home Entertainment/Computers & Musical Instruments/97	33,974	7.2	17.4	6.3	30,301	10.8
Records & Tapes, Video Cassettes/98	8,144	1.7	19.0	7.8	6,385	21.6
Total	**$469,522**	**100.0%**	**17.5%**	**10.8%**	**$426,727**	**9.1%**

* New retail department

AAFES Exchange Sales
(FY87)

Southeast Exchange Region Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Domestic Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	19,402	2.9	23.1	15.0	18,136	6.5
Gasoline/02	51,426	7.7	20.3	13.4	46,125	10.3
Automotive Labor/03	2,630	0.4	19.2	16.0	2,126	19.2
Tobacco Products/10	20,363	3.1	21.1	15.3	20,704	-1.7
DPSC Merchandise/19	28,879	4.3	23.4	17.2	24,796	14.1
Food, Candy & Snacks/20	39,720	5.9	25.3	13.4	36,214	8.8
Beer and Beverages/23	44,701	6.7	34.8	19.2	39,476	11.7
Toiletries/30	36,818	5.5	26.1	16.7	35,682	3.1
Cosmetics & Fragrances/34	19,551	2.9	25.4	17.4	18,152	7.2
Military Wear/40	11,691	1.6	19.4	13.8	12,194	-4.3
Jewelry/50	6,524	1.0	24.0	15.5	6,046	7.3
Watches/51	9,724	1.5	28.7	18.4	7,162	26.3
Precious & Semi-Precious Jewelry/56	13,194	2.0	26.0	14.1	10,491	20.5
Stationery/60	31,140	4.7	23.6	16.1	29,085	6.6
Men's Clothing/70	12,273	1.8	21.7	12.6	11,174	9.0
Men's Furnishings/71	27,100	4.1	25.7	16.1	26,303	2.9
Women's Outerwear/72	21,171	3.2	22.5	13.6	17,379	17.9
Women's Lingerie/73	14,134	2.1	23.2	16.3	13,910	1.6
Boyswear/74	6,575	1.0	24.2	14.2	6,177	6.1
Girlswear/75	4,842	0.7	23.3	12.9	4,448	8.1
Infants' & Toddlers' Wear/76	8,206	1.2	24.9	14.1	8,039	2.0
Footwear/77	27,332	4.1	26.4	17.1	25,308	7.4
Linens & Domestics/78	10,414	1.6	24.0	14.1	10,277	1.3
Yardage, Notions & Sewing Accessories/79	2,245	0.3	25.2	10.3	3,024	-34.7
Dinnerware & Flatwear/80	2,820	0.4	23.5	14.4	2,358	16.4
Kitchenware, Pots & Pans/81	8,129	1.2	24.4	15.0	7,649	5.9
Giftware/82	6,039	0.9	20.3	9.8	5,672	6.1
Cleaning Supplies/83	9,906	1.5	26.6	16.9	9,668	2.4
Traffic & Major Appliances/85	17,959	2.7	31.4	18.4	18,259	-1.7
Furniture & Rugs/86	11,048	1.7	41.7	15.6	9,465	14.3
Supplies/87	18,523	2.8	25.4	18.7	16,569	10.5
Luggage/88	4,919	0.7	24.9	17.3	4,970	-1.0
Outdoor Living/89	16,570	2.5	25.1	21.9	15,558	6.1
Sporting Goods & Camping Supplies/91	11,606	1.7	29.5	18.4	10,659	8.2
Developed Film/92	3,193	0.5	20.7	16.8	3,423	-7.2
Processing/93	12,505	1.9	23.2	12.6	12,345	1.3
Toys & Games/95	13,080	2.0	24.3	11.7	2,857	1.7
Video Tape Rentals/96*	0	—	—	—	—	—
Home Entertainment/Computers & Musical Instruments/97	49,214	7.4	25.2	9.1	42,529	15.6
Records & Tapes, Video Cassettes/98	12,028	1.8	28.1	11.6	7,736	35.7
Total	**$67,594**	**100.0%**	**24.6%**	**10.2%**	**$612,145**	**8.3%**

* New retail department

AAFES Exchange Sales
(FY87)

AAFES—Europe Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Overseas Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	35,180	2.6	78.1	27.2	29,089	17.3
Gasoline/02	90,064	6.6	70.1	23.6	79,800	11.4
Automotive Labor/03	1,421	0.1	50.7	8.6	681	52.1
Tobacco Products/10	27,134	2.0	73.8	20.4	23,975	11.6
DPSC Merchandise/19	33,991	2.5	76.3	20.3	28,235	16.9
Food, Candy & Snacks/20	100,356	7.4	72.1	33.9	83,348	16.9
Beer and Beverages/23	92,008	6.7	87.9	39.5	73,178	20.5
Toiletries/30	54,311	4.0	68.4	24.6	49,927	8.1
Cosmetics & Fragrances/34	23,377	1.7	66.2	20.8	18,475	21.0
Military Wear/40	19,794	1.5	82.2	23.4	14,543	26.5
Jewelry/50	11,801	0.9	79.3	28.1	10,089	14.5
Watches/51	14,417	1.1	75.6	27.2	11,853	17.8
Precious & Semi-Precious Jewelry/56	27,264	2.0	63.2	29.0	19,782	27.4
Stationery/60	40,981	3.0	66.8	21.2	33,935	17.2
Men's Clothing/70	35,644	2.6	87.4	36.6	29,569	17.0
Men's Furnishings/71	51,307	3.8	81.5	30.5	41,404	19.3
Women's Outerwear/72	50,289	3.7	82.2	32.4	38,015	24.4
Women's Lingerie/73	20,310	1.5	78.6	23.4	16,344	19.5
Boyswear/74	16,088	1.2	84.2	34.8	12,936	19.6
Girlswear/75	13,888	1.0	82.7	37.0	11,580	16.6
Infants' & Toddlers' Wear/76	19,731	1.4	78.0	33.9	17,258	12.5
Footwear/77	45,668	3.3	81.0	28.5	37,416	18.1
Linens & Domestics/78	21,601	1.6	71.2	29.3	18,229	15.6
Yardage, Notions & Sewing Accessories/79	9,111	0.7	71.0	41.9	7,195	21.0
Dinnerware & Flatwear/80	5,660	0.4	74.4	28.9	4,455	21.3
Kitchenware, Pots & Pans/81	15,168	1.1	72.4	27.9	11,609	23.5
Giftware/82	27,892	2.0	88.0	45.3	20,587	26.2
Cleaning Supplies/83	15,195	1.1	71.6	26.0	14,296	5.9
Traffic & Major Appliances/85	23,429	1.7	57.9	24.0	23,641	-0.9
Furniture & Rugs/86	25,153	1.8	56.7	35.5	19,226	23.6
Supplies/87	18,667	1.4	213.4	65.5	13,791	26.1
Luggage/88	7,332	0.5	76.1	9.7	7,358	-0.4
Outdoor Living/89	5,691	0.4	23.8	9.0	6,345	-11.5
Sporting Goods & Camping Supplies/91	16,950	1.2	471.4	89.0	11,284	33.4
Developed Film/92	650	0.0	1.4	0.7	157	75.8
Processing/93	29,440	2.2	—	—	30,327	-3.0
Toys & Games/95	44,729	3.3	12.9	8.2	35,633	20.3
Video Tape Rentals/96*	353	—	0.6	—	—	—
Home Entertainment/Computers & Musical Instruments/97	229,523	66.1	16.8	41.0	204,009	11.1
Records & Tapes, Video Cassettes/98	43,418	2.3	3.2	41.8	30,344	30.1
Total	**$1,364,986**	**100.0%**	**76.0%**	**32.1%**	**$1,139,91**	**16.5%**

* New department.

AAFES Exchange Sales

(FY87)

AAFES—Pacific Sales by Retail Department ($ in Thousands)

Department/Dept. Code	FY87 Department Sales	% of All-Dept. Region Total	% of Overseas Dept. Total	% of Worldwide Dept. Total	FY86 Department Sales	Dept. Sales % Change 87/86
Automotive/01	9,884	1.9	21.9	7.6	8,691	12.1
Gasoline/02	38,471	7.5	29.9	10.1	36,498	5.1
Automotive Labor/03	1,383	0.3	49.3	8.4	1,063	23.1
Tobacco Products/10	9,619	1.9	26.2	7.2	8,238	14.4
DPSC Merchandise/19	10,565	2.1	23.7	6.3	9,318	11.8
Food, Candy & Snacks/20	38,896	7.6	27.9	13.1	33,063	15.0
Beer and Beverages/23	12,681	2.5	12.1	5.4	12,310	2.9
Toiletries/30	25,038	4.9	31.6	11.4	21,446	14.3
Cosmetics & Fragrances/34	11,958	2.3	33.8	10.6	9,997	16.4
Military Wear/40	4,291	0.8	17.8	5.1	4,024	6.2
Jewelry/50	3,078	0.6	20.7	7.3	2,374	22.9
Watches/51	4,654	0.9	24.4	8.8	3,853	17.2
Precious & Semi-Precious Jewelry/56	15,878	3.1	0.0	16.9	11,697	26.3
Stationery/60	20,363	4.0	33.2	10.5	17,825	12.5
Men's Clothing/70	5,153	1.0	12.6	5.3	4,222	18.1
Men's Furnishings/71	11,628	2.3	18.5	6.9	10,329	11.2
Women's Outerwear/72	10,881	2.1	17.8	7.0	8,978	17.5
Women's Lingerie/73	5,533	1.1	21.4	6.4	4,534	18.1
Boyswear/74	3,009	0.6	15.8	6.5	2,761	8.2
Girlswear/75	2,909	0.6	17.3	7.7	2,636	9.4
Infants' & Toddlers' Wear/76	5,551	1.1	22.0	9.5	5,379	3.1
Footwear/77	10,693	2.1	19.0	6.7	8,975	16.1
Linens & Domestics/78	8,732	1.7	28.8	11.8	7,544	13.6
Yardage, Notions & Sewing Accessories/79	3,715	0.7	29.0	17.1	3,705	0.3
Dinnerware & Flatwear/80	1,947	0.4	25.6	9.9	1,511	22.4
Kitchenware, Pots & Pans/81	5,790	1.1	27.6	10.7	4,174	27.9
Giftware/82	3,795	0.7	12.0	6.2	2,974	21.6
Cleaning Supplies/83	6,033	1.2	28.4	10.3	5,212	13.6
Traffic & Major Appliances/85	17,030	3.3	42.1	17.5	15,677	7.9
Furniture & Rugs/86	19,213	3.7	43.3	27.1	13,054	32.1
Supplies/87	7,520	1.5	28.7	7.6	5,515	26.7
Luggage/88	1,417	0.3	16.2	5.0	1,425	-0.6
Outdoor Living/89	3,944	0.8	40.9	5.2	3,023	23.4
Sporting Goods & Camping Supplies/91	6,951	1.4	29.1	11.0	6,292	9.5
Developed Film/92	2,946	0.6	81.9	15.5	2,925	0.7
Processing/93	15,662	3.1	34.7	15.8	16,355	-4.4
Toys & Games/95	11,824	2.3	20.9	10.6	9,742	17.6
Video Tape Rentals/96*	1	—	—	—	—	—
Home Entertainment/Computers & Musical Instruments/97	117,394	22.9	33.8	21.6	106,689	9.1
Records & Tapes, Video Cassettes/98	17,125	3.3	28.3	16.5	10,967	35.8
Total	**$513,155**	**100.0%**	**27.3%**	**11.8%**	**$445,015**	**13.3%**

* New department

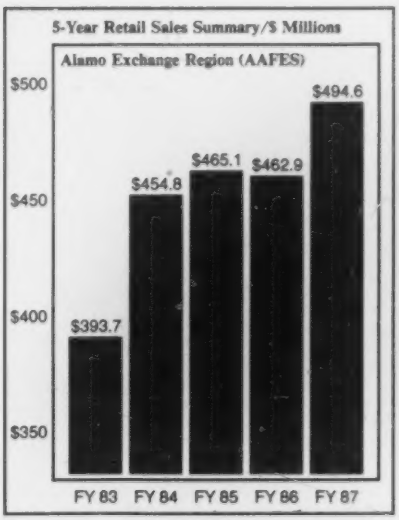
AAFES Exchange Sales
(FY87)

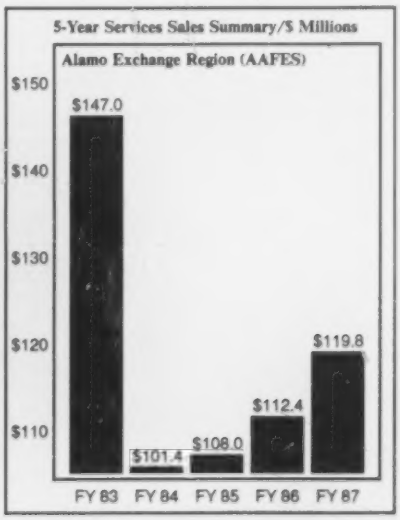
CONUS

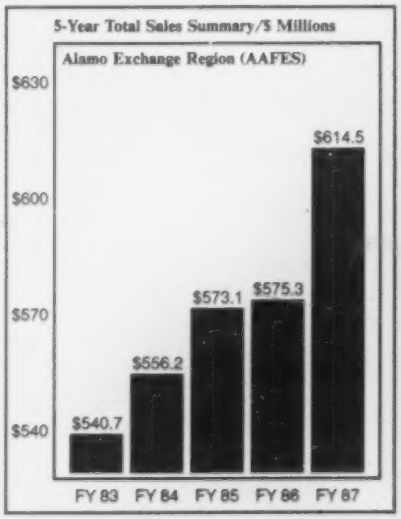
Alamo Region (ALER)

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Altus AFB, OK	5,271	1,034	6,305	6,490	-2.9
Barksdale AFB, LA	21,410	3,682	25,092	24,061	4.1
Bergstrom AFB, TX	18,504	2,157	20,661	19,802	4.2
Blytheville AFB, AR	6,041	850	6,891	6,666	3.3
Brooks AFB, TX	3,614	741	4,355	3,218	26.1
Cannon AFB, NM	6,592	1,345	7,937	7,713	2.8
Carswell AFB, TX	29,111	3,442	32,553	31,704	2.6
Dyess AFB, TX	8,792	2,007	10,799	10,810	-0.1
England AFB, LA	6,553	1,108	7,661	7,385	3.6
Fort Bliss, TX	45,127	12,525	57,652	47,957	16.8
Fort Chaffee, AR	3,090	225	3,315	3,105	6.3
Fort Hood, TX	61,394	19,869	81,263	75,346	7.3
Fort Polk, LA	27,611	9,775	37,386	34,916	6.6
Fort Sam Houston, TX	51,138	9,413	60,551	52,567	13.2
Fort Sill, OK	31,978	12,284	44,262	40,662	8.1
Goodfellow AFB, TX	5,076	1,289	6,365	5,662	11.0
Holloman AFB, NM	9,699	2,399	12,098	15,682	-29.6
Kelly AFB, TX	2,643	956	3,599	/a	/a
Kirtland AFB, NM	17,425	2,879	20,304	19,270	5.1
Lackland AFB, TX	49,002	16,012	65,014	65,275	-0.4
Laughlin AFB, TX	4,361	831	5,192	4,838	6.8
Little Rock AFB, AR	15,631	2,565	18,196	17,572	3.4
Randolph AFB, TX	20,359	2,921	23,280	21,973	5.6
Reese AFB, TX	4,270	829	5,099	5,014	1.7
Sheppard AFB, TX	19,562	5,962	25,524	26,394	-3.4
Tinker AFB, OK	18,067	2,373	20,440	18,728	8.4
Vance AFB, OK	2,291	390	2,681	2,496	6.9
White Sands Missile RG, NM	2,773	1,207	3,980	/a	/a
ALER Totals	**$494,612**	**$119,863**	**$614,475**	**$575,306**	**6.4%**

Note: /a Information not available.





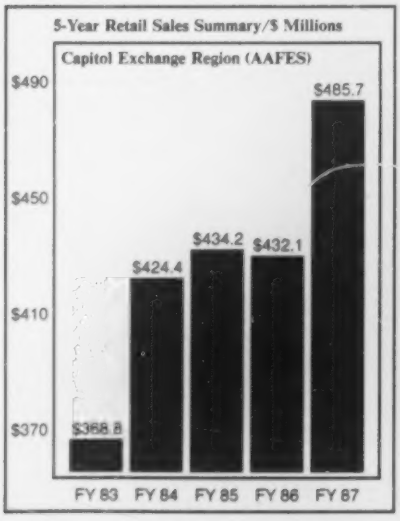


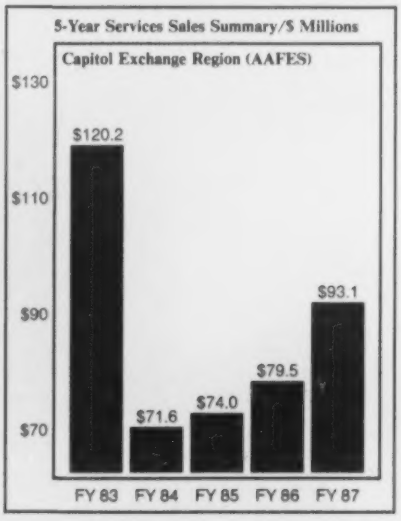
AAFES Exchange Sales
(FY87)

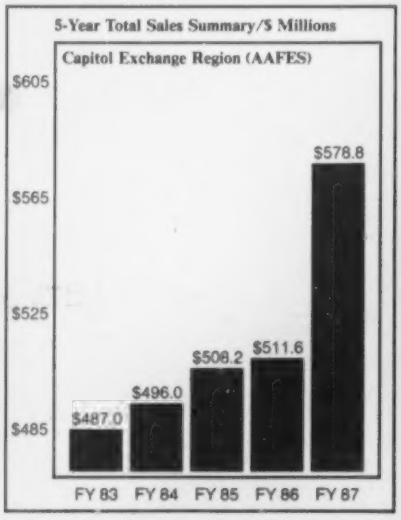
CONUS

Capitol Region (CPER)

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Aberdeen-Edgewood, MD	15,167	6,128	21,295	16,713	21.5
Andrews AFB, D.C.	40,055	5,884	45,939	41,923	8.7
Bolling AFB, D.C.	19,527	3,138	22,665	20,431	9.9
Cameron Station, VA	27,625	1,999	29,624	27,608	6.8
Carlisle Barracks, PA	13,122	749	13,871	12,480	10.0
Dover AFB, DE	11,475	2,674	14,149	12,935	8.6
Fort Belvoir, VA	39,106	7,084	46,190	40,571	12.2
Fort Devens/Hanscom AFB, MD	32,851	5,656	38,507	35,093	8.9
Fort Dix/McGuire AFB, NJ	47,488	13,287	60,775	53,482	12.0
Fort Drum, NY	13,698	2,835	16,533	10,598	35.9
Fort Eustis, VA	23,689	6,385	30,074	24,810	17.5
Fort George L. Meade, MD	35,108	4,567	39,675	35,971	9.3
Fort Lee, VA	25,322	8,804	34,126	29,405	13.8
Fort Monmouth, NJ	20,754	2,965	23,719	21,294	10.2
Fort Myer, VA	17,716	4,250	21,966	20,329	7.5
Griffiss AFB, NY	12,882	1,755	14,637	13,870	5.2
Langley AFB, VA	30,635	4,981	35,616	29,443	17.3
Loring AFB, ME	6,213	1,749	7,962	7,333	7.9
Pease AFB, NH	15,395	1,587	16,982	15,713	7.5
Plattsburgh AFB, NY	8,151	1,160	9,311	8,707	6.5
U.S. Military Academy	11,611	2,619	14,230	12,755	10.4
Walter Reed AMC, D.C.	9,196	2,757	11,953	11,408	4.6
Westover AFB, MA	8,904	94	8,998	8,773	2.5
CPER Totals	**$485,690**	**$93,107**	**$578,797**	**$511,645**	**11.6%**







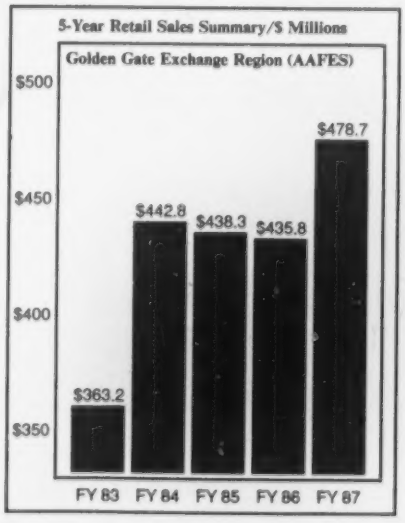
AAFES Exchange Sales
(FY87)

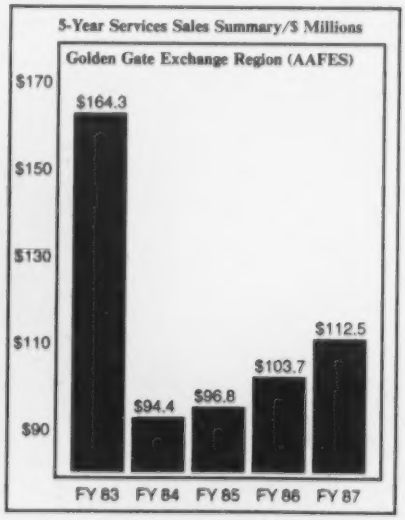
CONUS

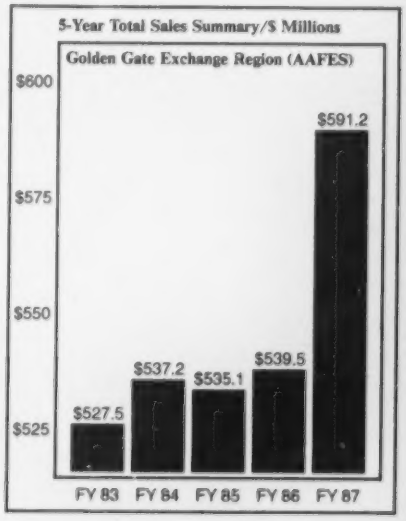
Golden Gate (GGER)

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Beale AFB, CA	12,708	1,730	14,438	14,014	2.9
Castle AFB, CA	12,583	2,052	14,635	13,846	5.4
Davis-Monthan AFB, AZ	19,225	3,348	22,573	20,374	9.7
Edwards AFB, CA	15,863	5,131	20,994	19,106	9.0
Fairchild AFB, WA	11,790	1,789	13,579	12,012	11.5
Fort Huachuca, AZ	15,464	5,239	20,703	18,165	12.3
Fort Hunter Liggett/Camp Roberts, CA	1,883	831	2,714	3,216	-18.5
Fort Irwin, CA	8,506	3,623	12,129	8,353	31.1
Fort Lewis/McChord AFB, WA	86,765	23,369	110,134	94,849	13.9
Fort Ord, CA	45,421	14,577	59,998	53,699	10.5
George AFB, CA	12,020	2,629	14,649	13,777	6.0
Hill AFB, UT	14,936	1,621	16,557	15,925	3.8
Los Angeles Cons, CA	13,530	1,655	15,185	15,158	0.2
Luke AFB/Williams AFB, AZ	16,281	4,344	20,625	29,477	-42.9
Malstrom, MT	5,932	1,372	7,304	6,539	10.5
Mather AFB, CA	21,740	3,471	25,211	24,325	3.5
McClellan AFB, CA	17,655	2,237	19,892	17,479	12.1
Mountain Home AFB, ID	8,508	1,670	10,178	9,602	5.7
Nellis AFB, NY	22,146	5,639	27,785	26,230	5.6
Norton AFB/March AFB, CA	39,917	6,720	46,637	41,550	10.9
Presidio of San Francisco, CA	20,571	5,060	25,631	25,217	1.6
Travis AFB, CA	29,372	8,297	37,669	35,270	6.4
Vandenberg AFB, CA	15,326	4,018	19,344	20,205	-4.5
Williams AFB, AZ	9,801	1,556	11,357	/a	/a
Yuma Proving Ground, AZ	752	521	1,273	1,099	13.7
GGER Totals	**$478,695**	**$112,499**	**$591,194**	**$539,487**	**8.7%**

Note: /a Information not available.





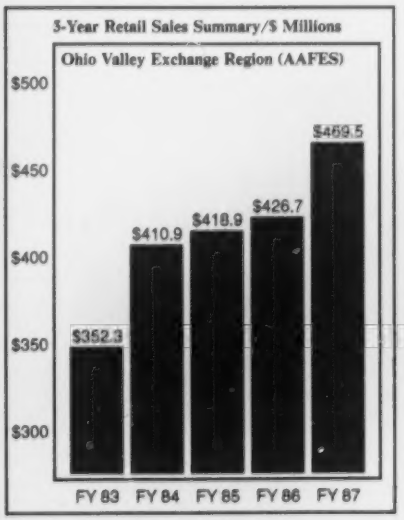


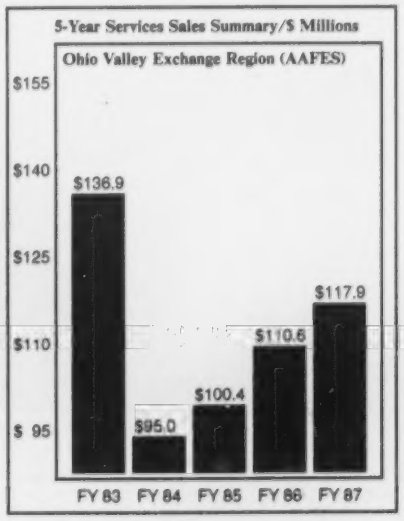
AAFES Exchange Sales
(FY87)

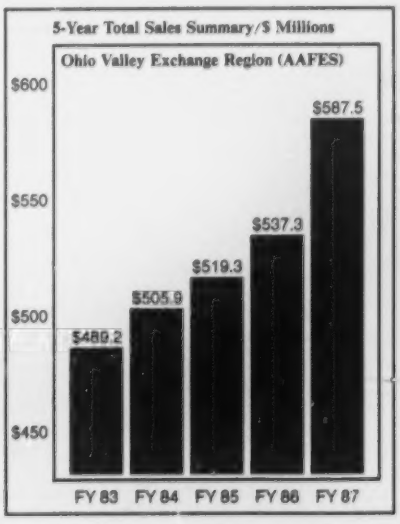
CONUS

Ohio Valley Region (OVER)

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Chanute AFB, IL	16,891	4,703	21,594	20,995	2.9
Colorado Springs, CO	27,509	4,133	31,642	28,873	9.6
Denver Exchange (Lowry AFB), CO	38,718	8,390	47,108	45,354	3.9
Ellsworth AFB, SD	10,330	2,332	12,662	10,344	22.4
Fort Benjamin Harrison, IN	14,569	4,328	18,897	18,034	4.8
Fort Campbell, KY	46,476	11,968	58,444	53,309	9.6
Fort Carson, CO	24,967	10,203	35,170	33,789	4.1
Fort Knox, KY	38,857	14,721	53,578	51,745	3.5
Fort Leavenworth, KS	14,152	4,189	18,341	15,039	22.0
Fort Leonard Wood, MO	26,786	11,986	38,772	36,367	6.6
Fort McCoy, WI	12,505	1,021	13,526	11,833	14.3
Fort Riley, KS	23,560	9,820	33,380	28,941	15.3
Fort Sheridan, IL	7,887	736	8,623	8,148	5.8
Francis E. Warren AFB, WY	5,763	1,213	6,976	6,457	8.0
Grand Forks AFB, ND	13,680	3,666	17,346	14,258	21.7
Grissom AFB, IN	6,341	1,204	7,545	6,833	10.4
K.I. Sawyer AFB, MI	8,538	1,493	10,031	9,029	11.1
McConnell AFB, KS	6,116	1,106	7,222	6,445	12.1
Minot AFB, ND	11,508	3,291	14,799	12,879	14.9
Oakdale ADS, PA	4,576	143	4,719	4,372	7.9
Offutt AFB, NE	24,414	5,293	29,707	27,529	7.9
Scott AFB, IL	26,575	4,854	31,429	28,747	9.3
Selfridge ANG, MI	11,094	816	11,910	9,747	22.2
Whiteman AFB, MO	6,270	1,112	7,382	6,706	10.1
Wright-Patterson AFB, OH	31,384	4,186	35,570	32,547	9.3
Wurtsmith AFB, MI	10,058	1,076	11,134	8,983	23.9
OVER Totals	**$469,524**	**$117,983**	**$587,50**	**$537,303**	**9.3%**





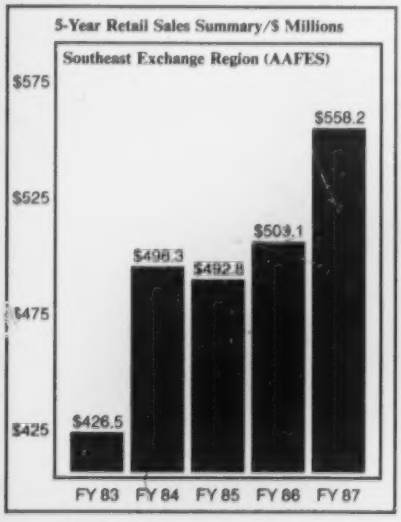


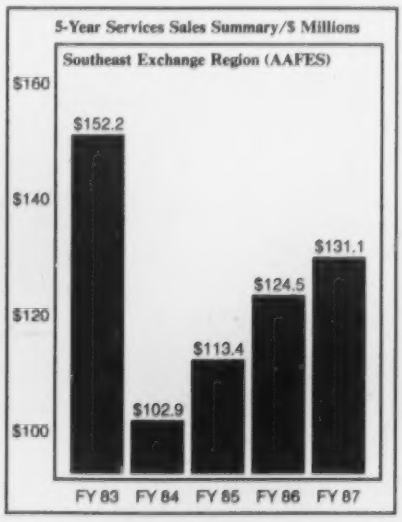
AAFES Exchange Sales
(FY87)

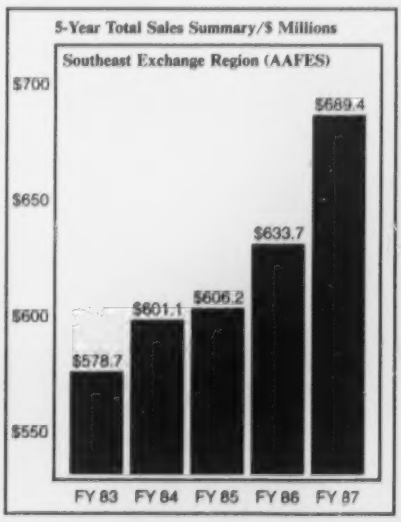
Southeast Region (SEER)

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Charleston AFB, SC	12,208	1,957	14,165	13,290	6.2
Columbus AFB, MS	5,616	884	6,500	6,116	5.9
Eglin AFB, FL	35,690	5,888	41,578	37,205	10.5
Fort Benning, GA	56,395	16,595	72,990	68,222	6.5
Fort Bragg, NC	63,122	21,906	85,028	75,609	11.1
Fort Gordon, GA	28,300	11,703	40,003	39,647	0.9
Fort Jackson, SC	37,776	8,534	46,310	44,903	3.0
Fort McClellan, AL	22,465	6,421	28,886	26,391	8.6
Fort McPherson, GA	17,678	2,858	20,536	18,785	8.5
Fort Rucker, AL	21,324	5,941	27,265	23,947	12.2
Fort Stewart, GA	25,846	10,002	35,848	36,136	-0.8
Homestead AFB, FL	22,154	3,420	25,574	23,115	9.6
Hunter Army Airfield, GA	5,641	998	6,639	/a	/a
Keesler AFB, MS	36,503	8,029	44,532	44,692	-0.4
MacDill AFB, FL	32,504	4,848	37,352	33,725	9.7
Maxwell AFB, AL	25,243	3,894	29,137	25,927	11.0
Moody AFB, GA	6,948	1,376	8,324	7,397	11.1
Myrtle Beach AFB, SC	9,538	1,441	10,979	10,570	3.7
Patrick AFB, FL	24,809	3,432	28,241	25,532	9.6
Redstone Arsenal, AL	17,949	3,676	21,625	18,198	15.8
Robins AFB, GA	14,381	1,533	15,914	14,333	9.9
Seymour Johnson AFB, SC	10,181	1,592	11,773	10,917	7.3
Shaw AFB, SC	14,047	1,669	15,716	15,019	4.4
Tyndall AFB, FL	11,902	2,578	14,480	13,996	3.3
SEER Totals	**$558,220**	**$131,175**	**$689,395**	**$633,672**	**8.1%**

Note: /a Information not available.



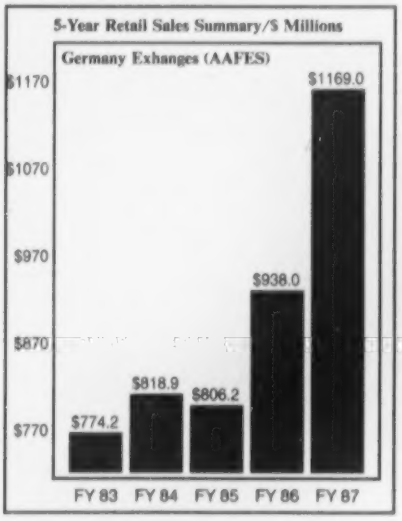


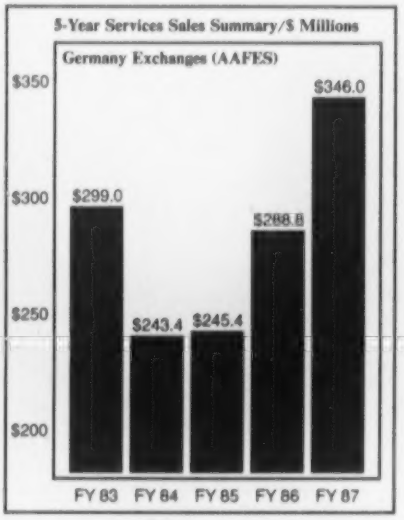


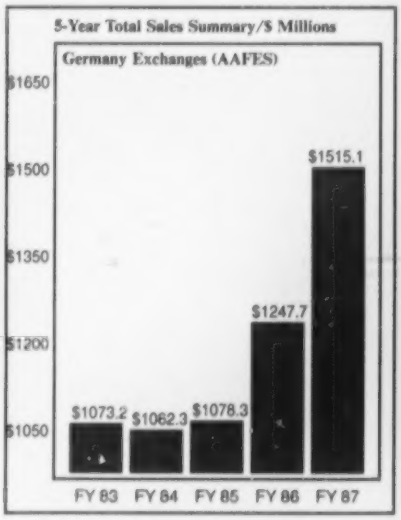
AAFES Exchange Sales
(FY87)

Germany

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Belgium Exchange	16,656	4,012	20,668	16,491	20.2
Tri-Border (TBAX)	405,318	115,312	520,630	414,939	20.3
Kaiserslauten Area (KAAX)	334,187	95,061	429,248	356,712	16.9
Nuremberg Area (NUAX)	183,900	63,200	247,100	211,912	14.2
Bitburg/Spangdahlem Exchange	41,616	5,795	47,411	21,000	55.7
Stuttgart Area (SGAX)	187,378	62,669	250,047	226,671	9.3
Germany Exchanges' Totals	**$1,169,055**	**$346,049**	**$1,515,104**	**$1,247,725**	**51.9%**







Germany—Other

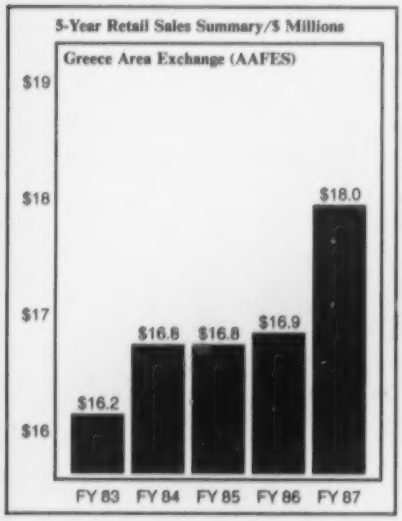
Exchange *	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
European Dist. Activity	3,376	0	3,376	5,700	/a
European Industrial Act.	$17,641	0	$17,641	$11,046	/a

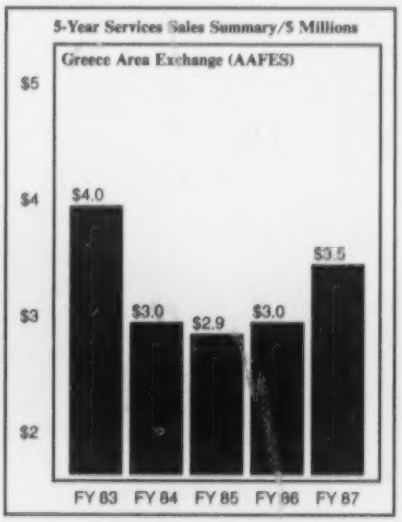
* Includes outlying depots.
/a Information not available

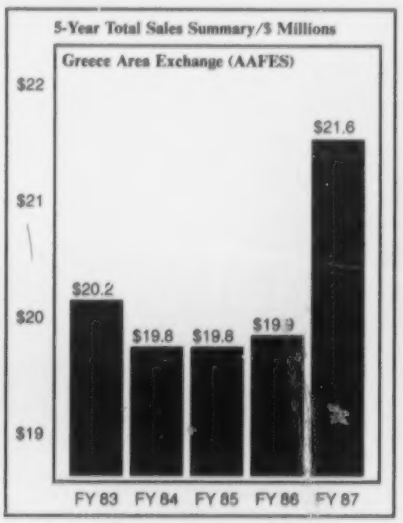
AAFES Exchange Sales
(FY87)

Greece

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Greece Area Exchange (GRAX)	$18,071	$3,590	$21,661	$19,902	8.8%

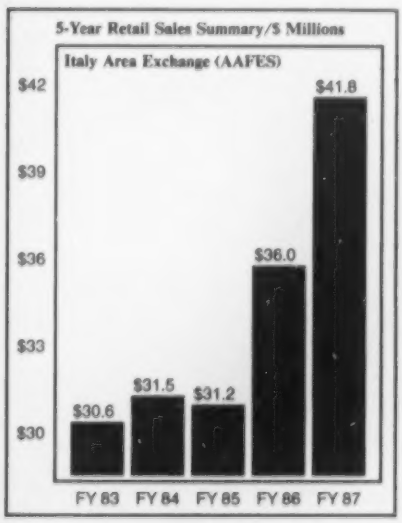


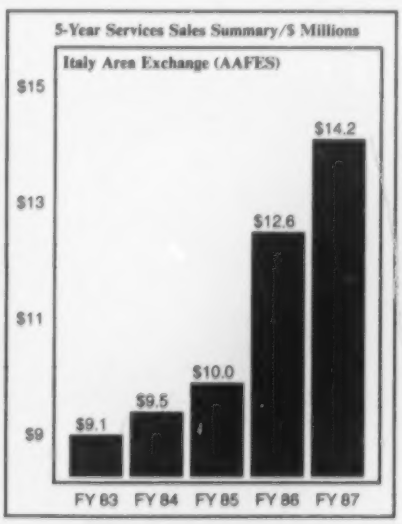


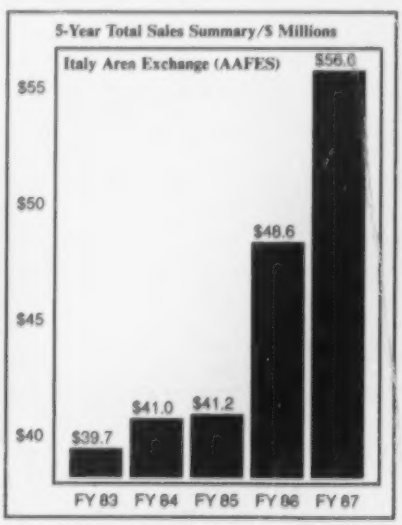


Italy

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Italy Area (ITAX)	$41,804	$14,226	$56,030	$48,564	15.4%



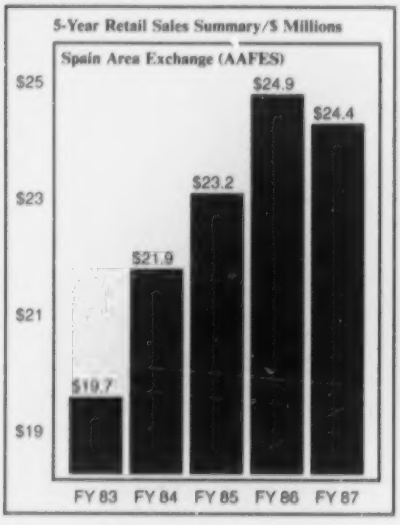


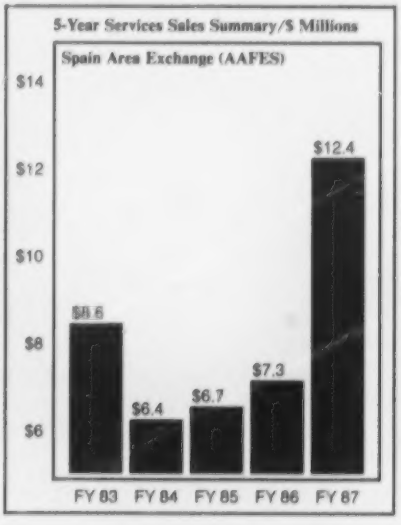


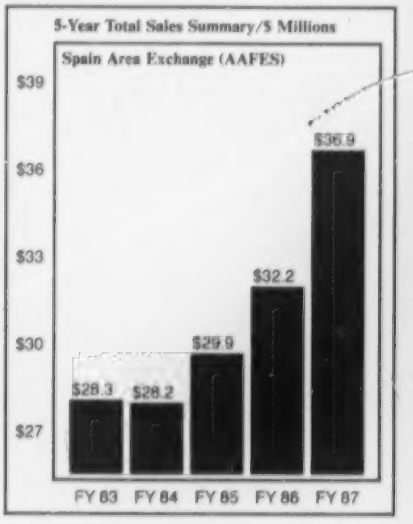
AAFES Exchange Sales
(FY87)

Spain

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Spain Area (SPAX)	$24,487	$12,487	$36,974	$32,195	12.9%







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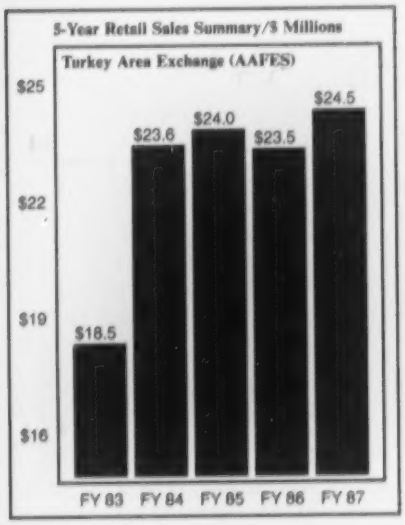
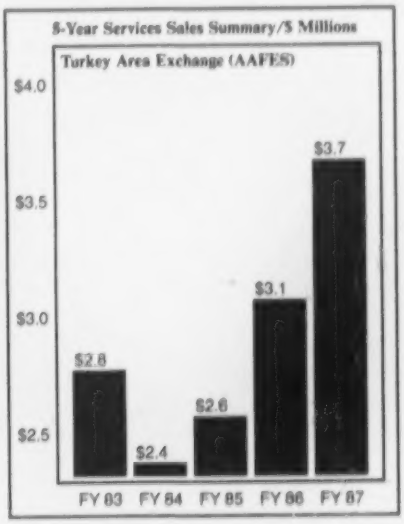
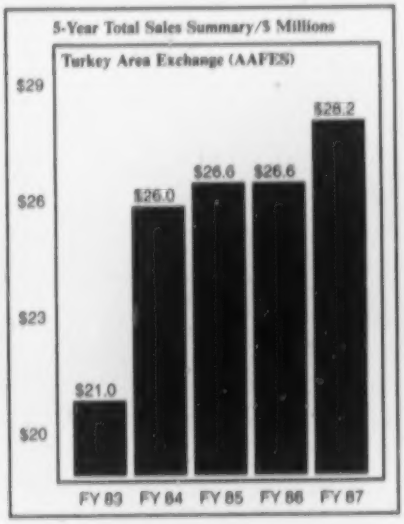
AAFES Exchange Sales
(FY87)

Turkey

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Turkey Area (TUAX)	$24,536	$3,730	$28,266	$26,550	6.1%

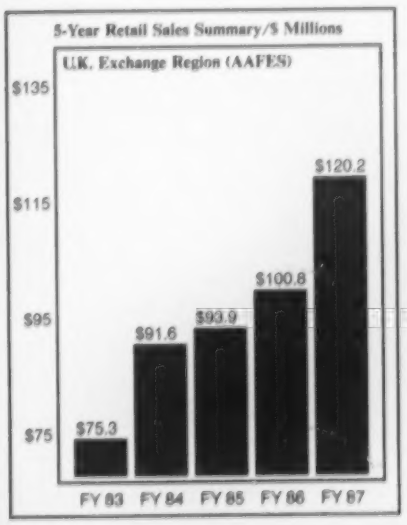


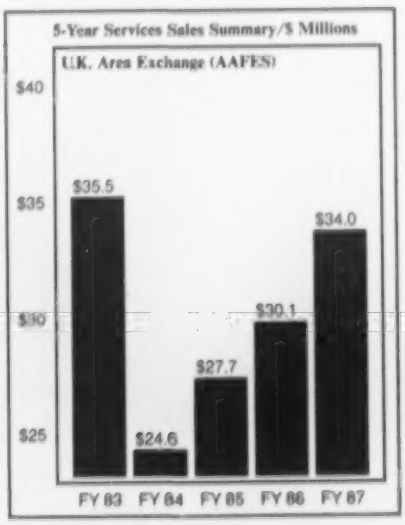


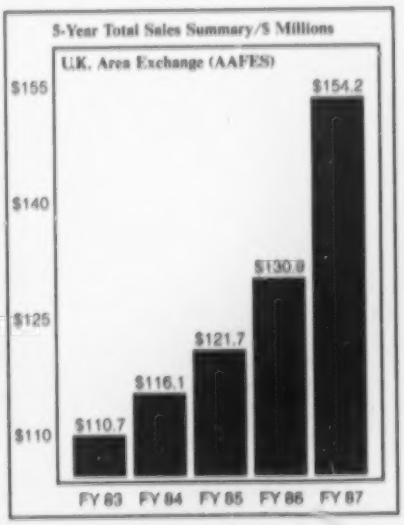


United Kingdom

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
United Kingdom Area (UKAX)	$120,289	$34,008	$154,297	$130,868	15.2%



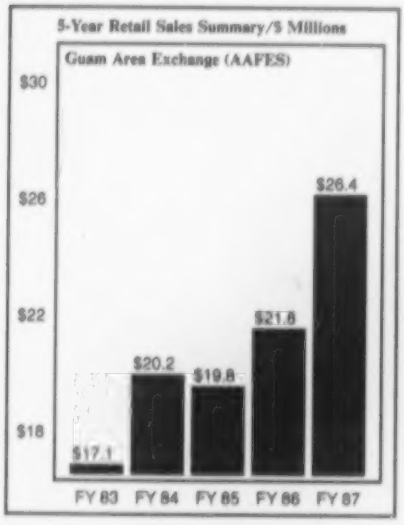


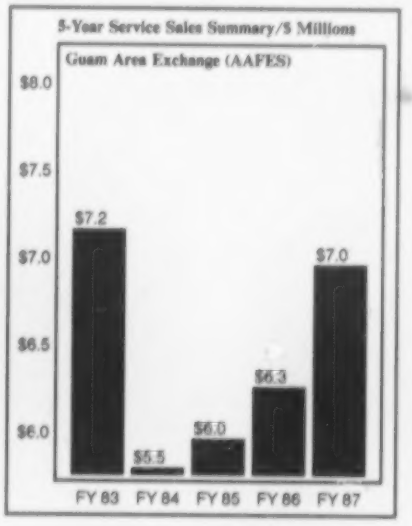


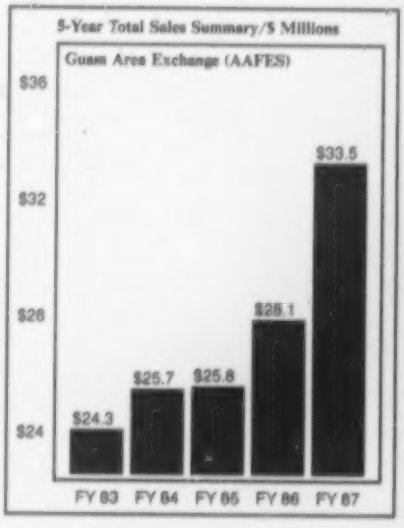
AAFES Exchange Sales
(FY87)

Guam

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Guam Area (GUAX)	$26,472	$7,026	$33,498	$28,146	16.0%

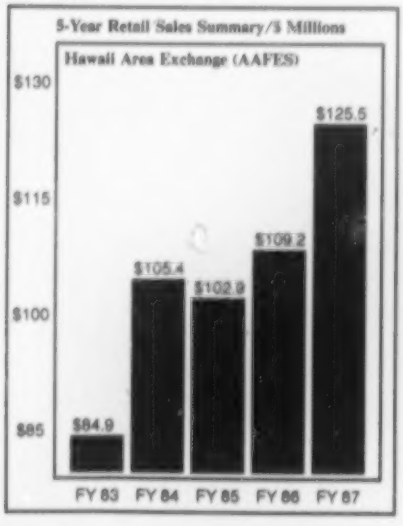


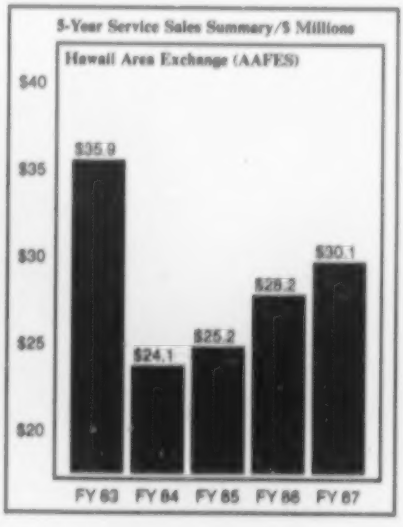


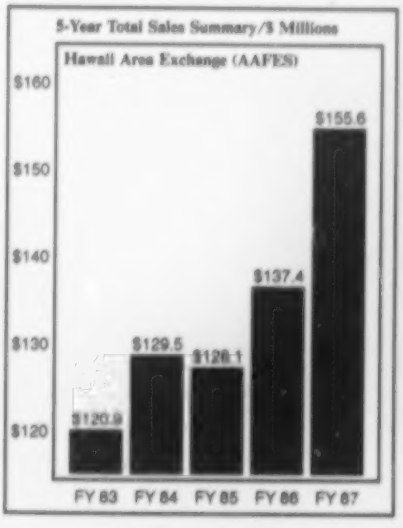


Hawaii

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Hawaii Area (HAAX)	$125,505	$30,059	$155,564	$137,456	11.6%



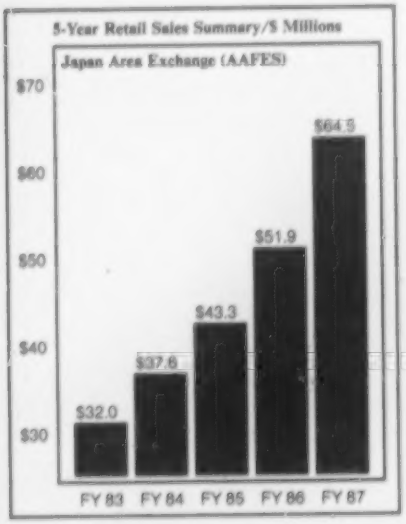


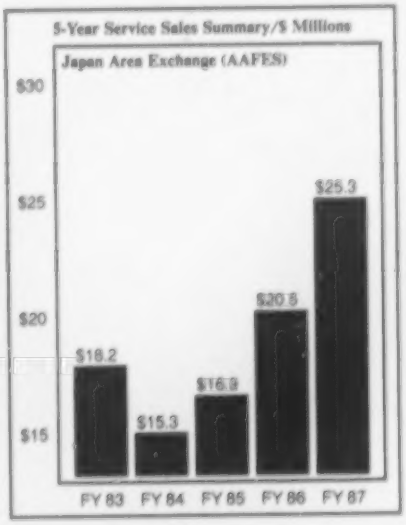


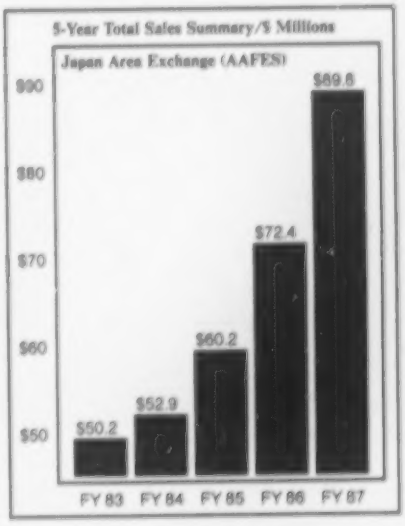
AAFES Exchange Sales
(FY87)

Japan

Exchange Area	FY 87 $ Sales: Retail	FY 87 $ Sales: Services & Other	FY 87 $ Sales: Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Japan Area (JAAX)	$64,543	$25,306	$89,849	$72,450	19.4%

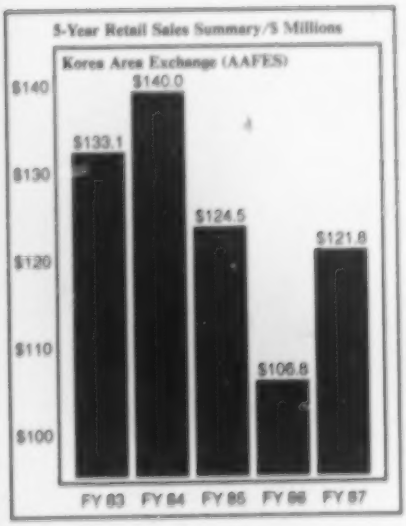


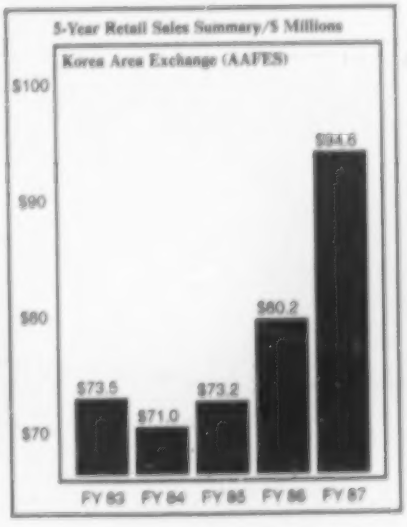


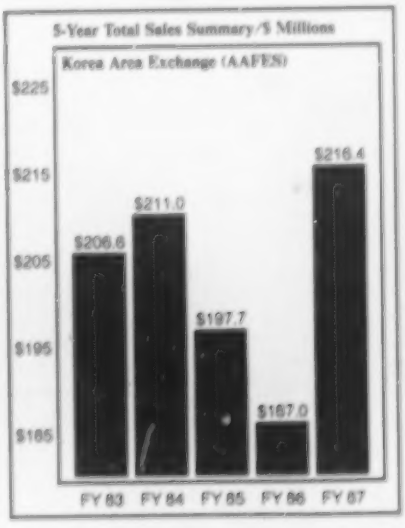


Korea

Exchange Area	FY 87 $ Sales: Retail	FY 87 $ Sales: Services & Other	FY 87 $ Sales: Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Korea Area (KOAX)	$121,772	$94,613	$216,385	$186,985	13.6%



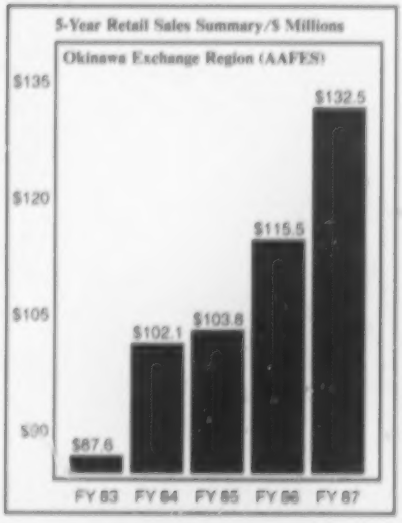


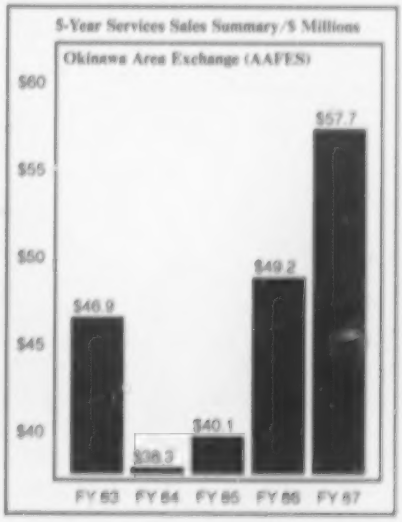


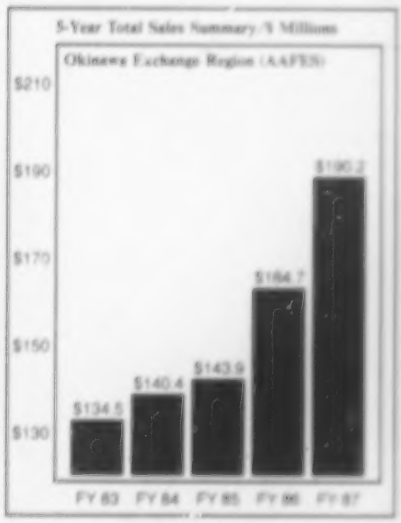
AAFES Exchange Sales
(FY87)

Okinawa

Exchange Area	FY 87 $ Sales: Retail	FY 87 $ Sales: Services & Other	FY 87 $ Sales: Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Okinawa Area (OKAX)	$132,517	$57,747	$190,264	$164,674	13.4%







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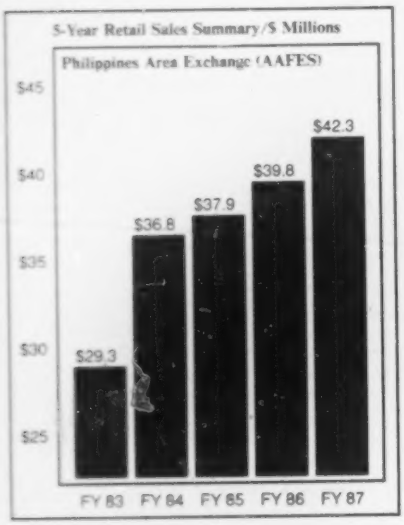
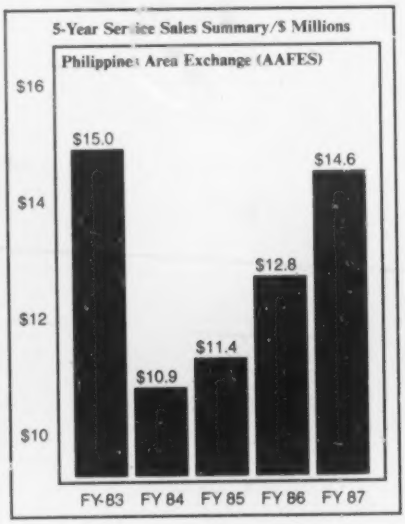
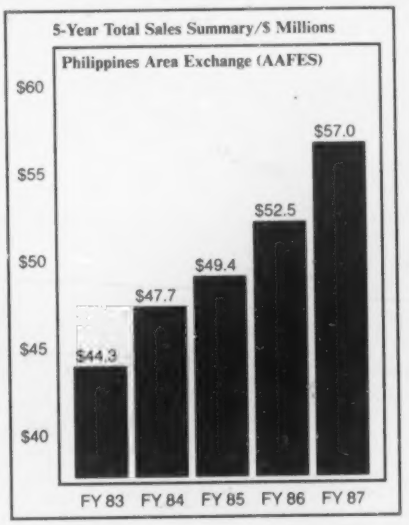
Philippines

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Philippines Area (PHAX)	$42,346	$14,628	$56,974	$52,535	7.8%







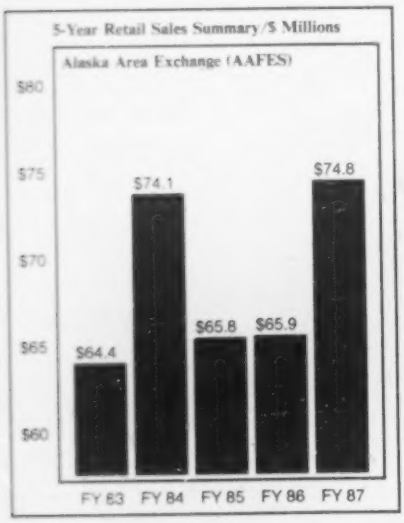
AAFES Exchange Sales

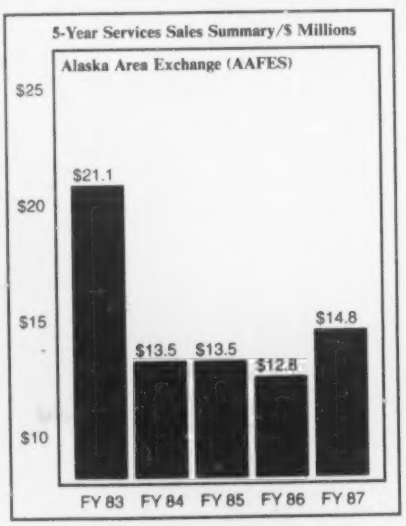
(FY87)

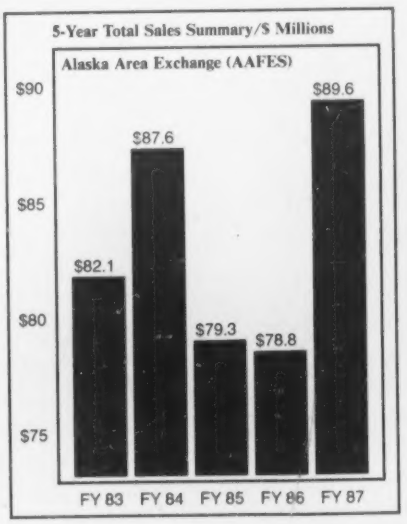
Other—Overseas

Alaska

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Elmendorf AFB/Ft. Richardson (Anchorage)	44,630	9,883	54,513	48,965	10.2
Nothern Alaska	27,607	4,353	31,960	27,738	13.2
"Remote Sites"	2,538	588	3,126	2,082	33.4
AKAX Totals	**$74,775**	**$14,824**	**$89,599**	**$78,785**	**12.1%**







AAFES Exchange Sales
(FY87)

Azores

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Azores	$9,711	$2,514	$12,225	$10,847	11.3%

Greenland

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Sonderstrom AB	2,299	43	2,342	1,741	25.7
Thule AB	3,734	79	3,813	3,452	9.5
Totals	**$6,033**	**$122**	**$6,155**	**$5,193**	**15.6%**

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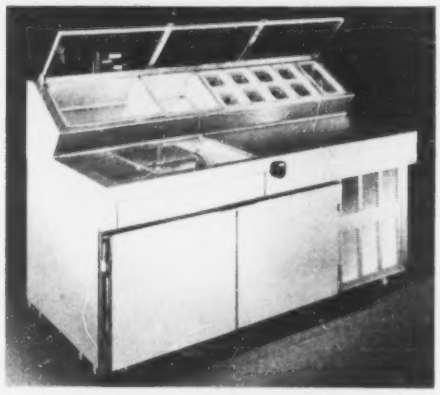

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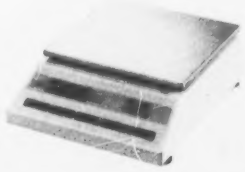

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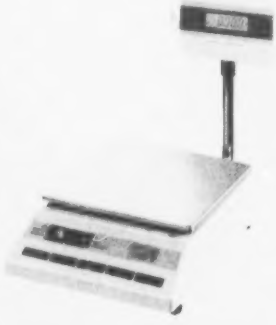

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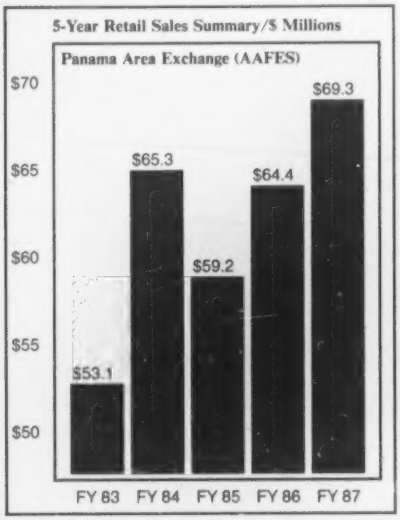
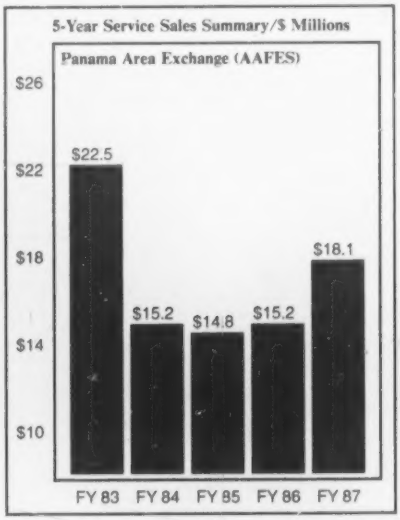
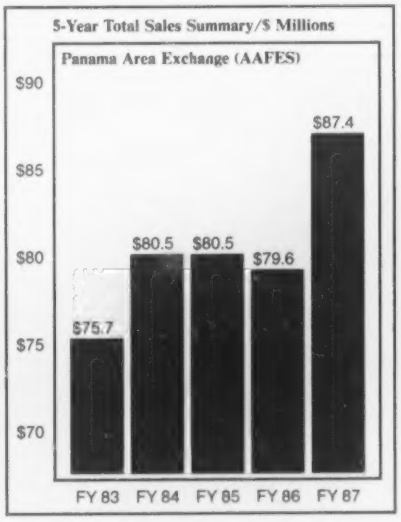
AAFES Exchange Sales
(FY87)

Panama

Exchange Area	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Panama Area (PAAX)	$69,292	$18,089	$87,381	$79,608	8.9%







Puerto Rico

Store	FY 87 $ Sales Retail	Services & Other	Total	Total $ Sales FY 86	Total Sales % Change 87 vs 86
Puerto Rico (PRAX)	$40,081	$2,354	$42,435	$40,871	3.7%

Totals (in $ thousands)

AAFES	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
CONUS	$2,486,741	$574,627	$3,061,368	$2,797,403	8.6%
Overseas	$2,132,306	$681,372	$2,813,678	$2,078,534	26.1%
Worldwide	$4,619,047	$1,255,999	$5,875,046	$4,875,937	17.0%

Coast Guard NAFA Sales
(FY87)

Coast Guard Cutters

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Coast Guard Cutters	$235,107	$80,777	$315,884	$454,166	-43.8%

CONUS

Alameda, CA	826,130	251,531	1,077,661	1,177,197	-9.2
Alexandria, VA	43,458	64,349	107,807	101,086	6.2
Atlantic Beach, NC	107,151	25,579	132,730	98,225	26.0
Baltimore, MD	322,221	244,202	566,423	708,026	-25.0
Boston, MA	1,232,594	371,636	1,604,230	1,624,213	-1.2
Brooklyn, NY	2,661,575	975,883	3,637,458	3,975,555	-9.3
Cape Cod, MA	4,892,854	5,017,230	9,910,084	9,222,681	6.9
Cape May, NJ	3,330,215	817,378	4,147,593	3,447,341	16.9
Charleston, SC	561,897	545,039	1,106,936	1,110,043	-0.3
Clearwater, FL	1,181,768	410,248	1,592,016	1,736,162	-9.1
Cleveland, OH (MSo)	0	1,466,346	1,466,346	987,594	32.6
Cleveland, OH	967,710	2,739,596	3,707,306	3,509,272	5.3
Detroit, MI	643,509	67,449	710,958	708,373	0.4
Elizabeth City, NC	1,578,564	514,863	2,093,427	2,036,940	2.7
Galena Park, TX	51,207	8,857	60,064	67,591	-12.5
Galveston, TX	385,284	100,400	485,684	464,699	4.3
Gloucester City, NJ	376,419	0	376,419	536,170	-42.4
Governors Island, NY	3,166,337	2,626,343	5,792,680	5,569,187	3.9
Mayport, FL	939,034	10,424	949,458	963,337	-1.5
McKinleyville, CA	84,655	6,479	91,134	92,817	-1.8
Miami Beach, FL	394,510	151,136	545,646	508,386	6.8
Milwaukee, WI	152,633	8,076	160,709	149,713	6.8
Mobile (Base), AL	1,026,958	711,549	1,738,507	1,736,952	0.1
Mobile, AL (ATC)	1,278,715	6,142,830	7,421,545	8,714,445	-17.4
Muskegon, MI	374,932	91,218	466,150	439,049	5.8
New Haven, CT	468,489	0	468,489	414,782	11.5
New London, CT	4,440,286	1,499,138	5,939,424	5,253,342	11.6
New Orleans, LA	371,706	68,575	440,281	402,155	8.7
North Bend, OR	174,297	455,382	629,679	474,105	24.7
Opa Locka, FL	3,406,198	2,288,968	5,695,166	4,767,471	16.3
Petaluma, CA	794,286	337,137	1,131,423	946,237	16.4
Port Angeles, WA	488,526	357,769	846,295	754,131	10.9
Portland, OR	157,103	149,508	306,611	324,465	-5.8
Portsmouth, VA	814,706	415,081	1,229,787	1,251,862	-1.8
San Diego, CA	40,753	8,334	49,087	61,276	-24.8
San Pedro, CA	138,366	36,566	174,932	161,695	7.6
Sault St. Marie, MI	114,119	25,347	139,466	158,044	-13.3
Seattle, WA	1,441,330	543,313	1,984,643	1,926,441	2.9
South Portland, ME	2,042,754	629,973	2,672,727	2,776,950	-3.9
St. Louis, MO	393,010	157,438	550,448	512,946	6.8
St. Petersburg, FL	4,532,476	2,369,429	6,901,905	7,028,842	-1.8
Traverse City, MI	188,933	597,905	786,838	798,345	-1.5
Warrenton, OR	626,679	741,371	1,368,050	1,297,920	5.1
Yorktown, VA	1,434,777	655,718	2,090,495	1,956,426	6.4
CONUS Totals	**$48,649,124**	**$34,705,593**	**$83,354,717**	**$80,952,489**	**2.9%**

Coast Guard NAFA Sales
(FY87)

Overseas

Alaska	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Juneau, AK	308,005	155,558	463,563	470,763	-1.6
Ketchikan, AK	562,162	101,810	663,972	650,628	2.0
Kodiak, AK	4,952,445	1,335,504	6,287,949	6,244,790	0.7
Sitka, AK	261,898	83,064	344,962	354,478	-2.8
Alaska Totals	**$6,084,510**	**$1,675,936**	**$7,760,446**	**$7,720,659**	**0.5%**
Hawaii					
Barbers Point, HI	0	65,888	65,888	99,671	-51.3
Honolulu, HI	2,820,861	2,704,554	5,525,415	4,714,158	14.7
Hawaii Totals	**$2,820,861**	**$2,770,442**	**$5,591,303**	**$4,813,829**	**13.9%**
Italy					
Lampedusa	17,985	11,514	29,499	18,880	36.0
Sellia Marina	35,150	0	35,150	47,280	-34.5
Italy Totals	**$53,135**	**$11,514**	**$64,649**	**$66,160**	**-2.3%**
Puerto Rico					
Aquadilla	3,058,667	3,221,480	6,280,147	6,466,428	-3.0
San Juan	2,020,156	1,184,749	3,204,905	3,713,640	-15.9
Puerto Rico Totals	**$5,078,823**	**$4,406,229**	**$9,485,052**	**$10,180,068**	**-7.3%**
Spain					
Estaritt	48,553	0	48,553	32,512	33.0
Turkey					
Kargabarun	8,640	0	8,640	11,556	-33.8
United Kingdom					
Sylt	17,917	4,117	22,034	18,211	17.4

Totals

Coast Guard	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
CONUS	**$48,649,124**	**$34,705,593**	**$83,354,717**	**$81,166,273**	**2.7%**
Overseas	**$14,112,439**	**$8,868,238**	**$22,980,677**	**$22,843,194**	**0.6%**
Worldwide	**$62,761,563**	**$43,573,831**	**$106,335,394**	**$104,463,633**	**1.8%**

Navy Exchange Sales
(FY87)

Summary of Sales by Retail Department

Department/Dept. Code	CONUS $ Sales	%	Overseas Sales	%	Worldwide $ Sales	%
Candy & Confections/A-1	12,601,337	1.2	5,877,470	1.5	18,478,808	1.5
Tobacco & Smoking Accessories/A-2	87,939,339	8.4	14,148,248	3.6	102,087,588	8.3
Convenience Foods/A-4	35,372,117	3.4	19,858,403	5.1	55,230,520	4.5
Beverages (Beer & Soda)/A-6	52,172,485	5.0	24,163,280	6.2	76,335,765	6.2
Film & Accessories/A-7	7,650,846	0.7	3,017,770	0.8	10,668,616	0.9
Records & Tapes/A-8	13,683,367	1.3	12,965,643	3.3	26,649,010	2.2
Distilled Spirits & Wine/A-9*	21,786,963	2.1	4,406,606	1.1	26,193,569	2.1
Cameras & Photo Equipment/B-1	10,470,941	1.0	7,522,616	1.9	17,993,558	1.5
Housewares/B-2	12,073,425	1.1	5,896,231	1.5	17,969,656	1.5
Sporting Goods/B-3	12,605,117	1.2	7,473,917	1.9	20,079,035	1.6
Electrical Appliances/B-4	18,867,592	1.8	18,040,190	4.6	36,907,783	3.0
Consumer Electronics/B-5	65,899,548	6.3	65,155,982	16.8	131,055,531	10.7
Home Furnishings & Giftware/B-8	16,521,796	1.6	16,775,156	4.3	33,296,952	2.7
Furniture/B-9	5,637,970	0.5	22,585,560	5.8	28,223,530	2.3
Luggage & Leather Goods/C-1	9,616,273	0.9	2,417,779	0.6	12,034,052	1.0
Stationery/C-2	15,406,376	1.9	4,671,740	1.2	20,078,117	1.6
Party Goods & Greeting Cards/C-3	10,080,547	1.0	4,107,169	1.1	14,187,716	1.2
Hardware & Pet Supplies/C-4	16,378,249	1.6	4,653,874	1.2	21,032,123	1.7
Toys & Wheel Goods/C-5	15,809,400	1.5	9,751,256	2.5	25,560,656	2.1
Books & Periodicals/C-7	13,778,786	1.3	4,911,701	1.3	18,690,488	1.5
Auto Accessories/C-8	20,416,062	1.9	7,704,059	2.0	28,120,121	2.3
Garden Supplies & Outdoor Living/C-9	23,437,139	2.8	4,867,731	1.3	28,304,871	2.3
Toiletries & Drugs/D-1	37,934,349	3.6	12,754,307	3.3	50,688,656	4.1
Jewelry/D-2	22,220,352	2.1	13,530,084	3.5	35,750,436	2.9
Household Supplies/D-3	12,491,053	1.2	5,747,882	1.5	18,238,936	1.5
Watches & Accessories/D-4	14,788,502	1.4	5,671,091	1.5	20,459,593	1.7
Fragrances & Cosmetics/D-5	19,376,038	1.8	6,588,440	1.7	25,964,479	2.1
Men's Wear & Accessories/E-2	66,809,704	6.4	18,777,377	4.8	85,587,082	7.0
Intimate Apparel/E-3	19,066,292	1.8	5,714,258	1.5	24,780,550	2.0
Domestics/E-4	15,312,228	1.5	6,173,699	1.6	21,485,928	1.7
Infants & Toddler's Wear/E-5	11,130,253	1.1	5,040,629	1.3	16,170,882	1.3
Family Shoes/E-7	21,774,499	2.1	7,071,068	1.8	28,845,567	2.3
Women's Ready to Wear/E-8	32,332,843	3.1	11,472,192	3.0	43,805,036	3.6
Fabrics & Sewing Accessories/F-2	0	/a	1,847,330	0.5	1,847,330	0.2
Girls Wear/G-1	7,922,334	0.8	2,618,568	0.7	10,540,902	0.9
Boys Wear/G-2	8,006,308	0.8	2,496,003	0.6	10,502,312	0.9
Department Sales Adjustments**						
All B Departments/B-6	0	/a	2,046,932	0.5	2,046,932	0.2
All C Departments/C-6	977,388	0.1	140,389	/a	1,117,777	0.1
All D Departments/D-6	0	/a	75,101	/a	75,101	/a
All E Departments/E-6	0	/a	1,047,718	0.3	1,047,718	/a
Misc. Retail Departments***	1,186,286	0.1	1,461,751	0.4	2,648,038	0.2
Retail Subtotals	**$789,534,104**	**94.0%**	**$381,247,200**	**98.1%**	**$1,170,781,304**	**95.3%**
Uniforms & Accessories/E-1	50,774,464	6.0	7,329,769	1.9	58,104,234	4.7
Retail Department Totals	**$840,308,568**	**100.0%**	**$388,576,969**	**100.0%**	**$1,228,885,537**	**100.0%**

Note: Navy Exchange sales for FY87 are preliminary and unaudited.
/a Less than one-tenth of one percent.
* Navy exchanges assumed full control of Navy Package Stores in October 1987. This reflects a 4-month period of sales.
** Represents sales that were rung up by smaller exchanges without a key for each department.
*** These figures represent sales recorded on a single departmental key at the cash register at smaller exchanges.

NAVRESSO Exchange Sales
(FY87)

Summary of Sales by Service Department

Department	CONUS	Overseas	Worldwide
Barber Shop/J-1	9,931,117	2,079,023	12,010,141
Beauty Shop/J-2	2,172,266	1,437,076	3,609,342
Gasoline/Fuel/J-3	78,462,996	22,182,492	100,645,488
Auto Services & Labor/J-5	5,476,065	2,189,928	7,665,993
Optical/K-2	7,615,144	1,113,080	8,728,224
Flower Shop/K-3	6,883,384	1,771,896	8,655,281
Food Service/K-4	58,558,191	27,130,775	85,688,966
Retail Clothing (Uniforms)/L-1	18,382,670	3,682,056	22,064,726
Laundry Dry Cleaning/M-1	14,247,593	4,539,197	18,786,791
Personalized Services/M-2	23,776,677	13,741,182	37,517,860
Vending Machines/M-3	63,502,981	15,543,591	79,046,572
Amusement Machines	3,671,795	616,292	4,288,088
Total Services	**$274,298,214**	**$92,344,536**	**$366,642,751**
Navy Lodges	**$10,126,232**	**$2,249,894**	**$12,376,126**
Concession Sales	**$106,157,490**	**$39,021,417**	**$145,178,907**

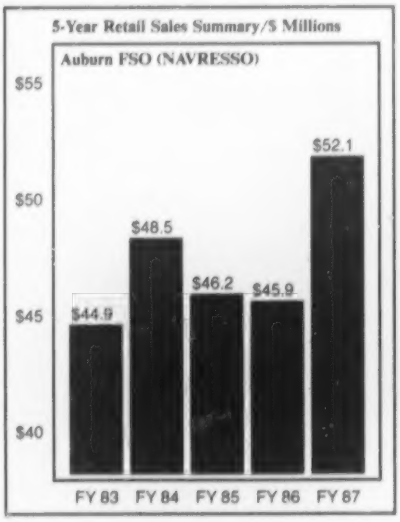
NAVRESSO Exchange Sales
(FY87)

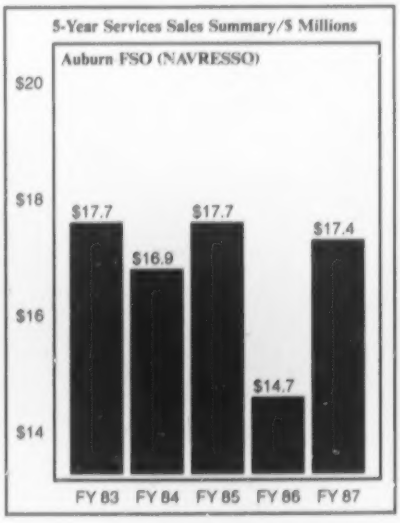
CONUS

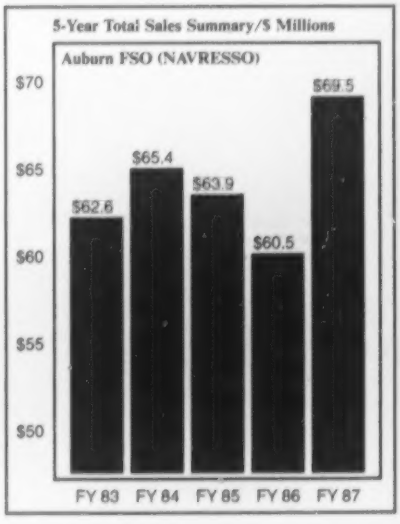
Auburn FSO

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Bangor (SUBASE), WA	10,096,192	5,192,977	15,289,169	14,234,656	6.9
Bremerton (PSNS), WA	9,330,722	2,579,229	11,909,951	10,129,609	14.9
Coasthead (NAVFAC), OR	36,982	684	37,666	/a	/a
Pacific Beach (NAVFAC), WA	50,649	9,813	60,462	/a	/a
Puget Sound (NAVSTA), WA	16,213,798	2,475,176	18,688,974	16,862,705	9.8
Whidbey Island (NAS), WA	16,452,569	7,140,638	23,593,207	20,211,004	14.3
Auburn FSO Totals	**$52,180,912**	**$17,398,517**	**$69,579,429**	**$61,437,974**	**11.7%**

Note: /a Information not available

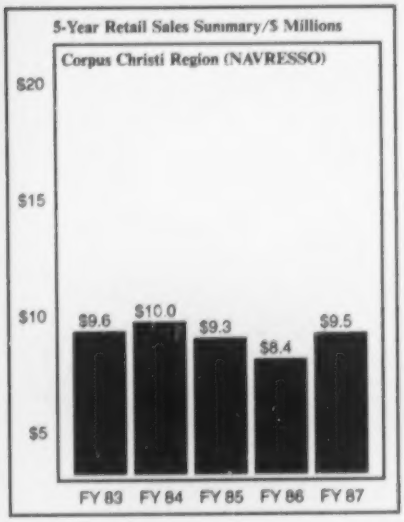


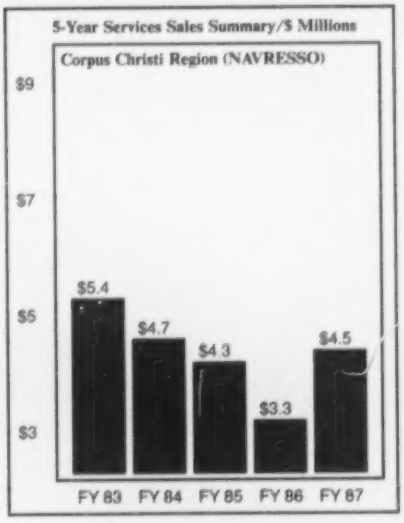


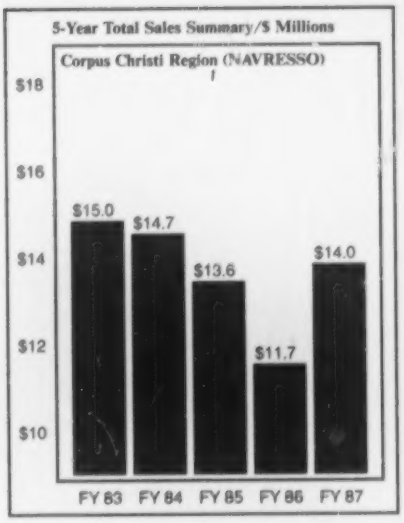


Corpus Christi Region

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Beeville (NAS), TX	1,594,580	927,873	2,522,453	2,365,821	6.2
Corpus Christi (NAS), TX	6,534,568	2,832,282	9,366,850	7,291,517	22.2
Kingsville (NAS), TX	1,365,925	791,366	2,157,291	2,035,038	5.7
Region Totals	**$9,495,073**	**$4,551,521**	**$14,046,594**	**$11,692,376**	**16.8%**



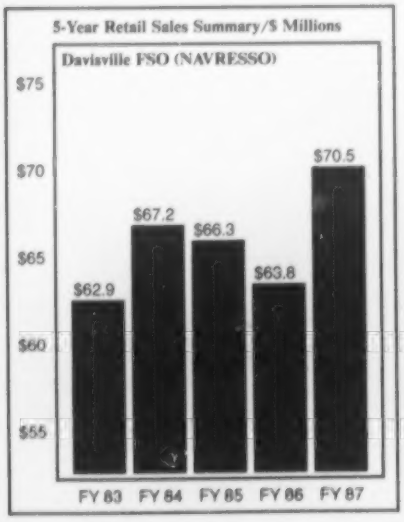


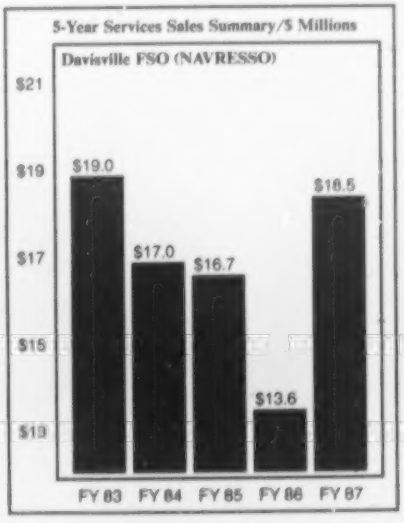


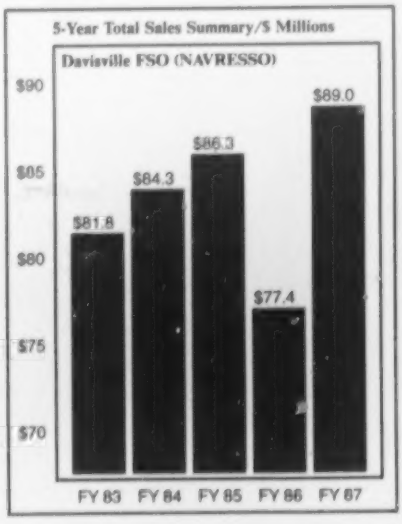
Davisville FSO

Store	FY87 $Sales Retail	FY87 $Sales Services & Other	FY87 $Sales Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Brooklyn (NS), NY	986,613	84,386	1,070,999	1,041,602	2.7
Brunswick (NAS), ME	8,112,441	2,198,675	10,311,116	9,146,349	11.3
Cutler (NCU), ME	311,172	83,329	394,501	345,032	12.5
Davisville (NCBC), RI	1,503,542	14,751	1,518,293	/a	/a
Indian Head (NOS), MD	344,889	159,154	504,043	/a	/a
Mitchel Field (NHA), NY	9,444,012	816,157	10,260,169	9,195,599	10.4
New London (NSB), CT	26,339,751	9,198,736	35,538,487	31,965,055	10.1
Newport (NETC), RI	16,737,160	4,938,241	21,675,401	19,008,990	12.3
Portsmouth (PNS), NH	537,305	202,180	739,485	713,590	3.5
Scotia (NAU), NY	1,555,142	99,162	1,654,304	1,599,301	3.3
South Weymouth (NAS), MA	4,082,157	513,517	4,595,674	4,257,520	7.4
Staten Island (NUS), NY	230,073	0	230,073	210,079	8.7
Winter Harbor (NSFGA), ME	346,843	212,387	559,230	532,299	4.8
Davisville FSO Totals	**$70,531,100**	**$18,520,675**	**$89,051,775**	**$78,015,416**	**12.4%**

Notes: /a Information not available.



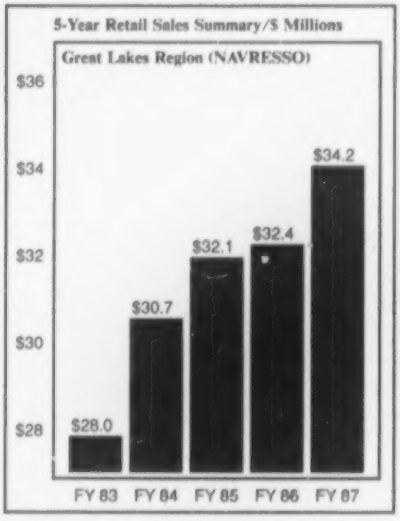


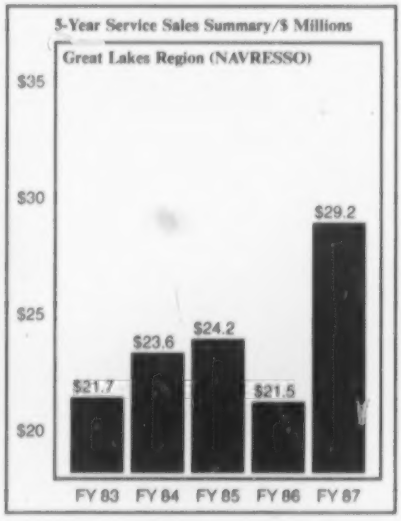


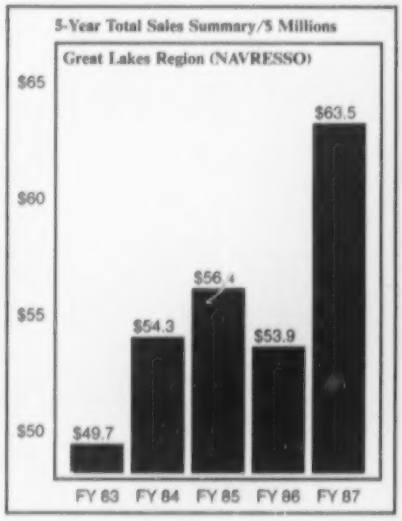
Navy Exchange Sales
(FY87)

Great Lakes Region

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Crane (NWSC), IN	287,013	60,617	347,630	351,168	-1.0
Glenview (NAS), IL	1,515,187	709,117	2,224,304	2,123,407	4.5
Great Lakes (NAC), IL	31,860,283	27,375,221	59,235,504	49,571,538	16.3
Great Lakes (NAVHOSP), IL	582,044	1,112,785	1,694,829	1,829,809	-7.9
Region Totals	**$34,244,527**	**$29,257,740**	**$63,502,267**	**$53,875,922**	**15.2%**



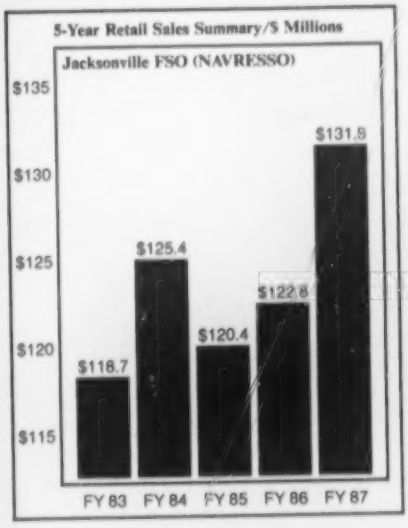


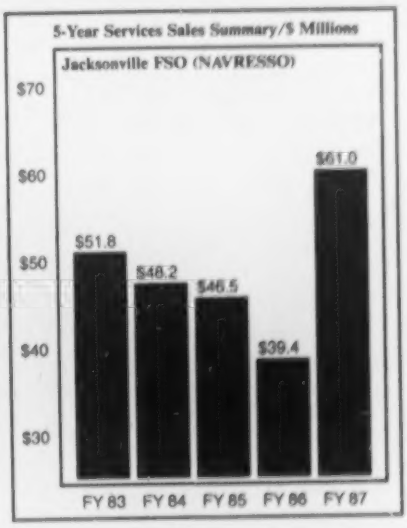


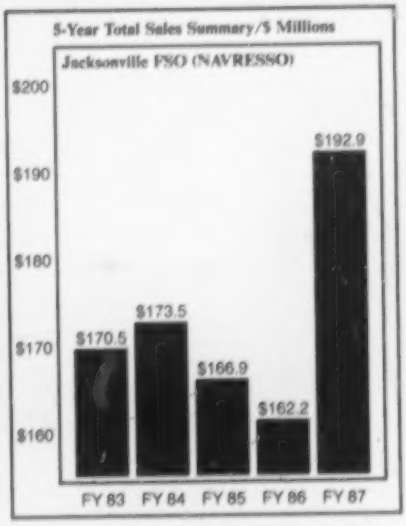
Navy Exchange Sales
(FY87)

Jacksonville FSO

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Athens (NSCS), GA	1,823,846	404,768	2,228,614	2,421,952	-8.7
Atlanta (NAS), GA	2,051,485	576,385	2,627,870	2,574,172	2.0
Beaufort (NAVSHOP), SC*	539,192	395,883	935,075	939,675	-0.5
Cecil Field (NAS), FL	7,069,490	6,082,686	13,152,176	9,479,518	27.9
Charleston (NRMC), SC	225,007	353,284	608,291	571,113	6.1
Charleston (NAVSTA), SC	15,362,091	9,022,245	24,384,336	19,206,384	21.2
Charleston(NWS),SC	5,828,042	2,928,863	8,756,905	7,348,897	16.1
Jacksonville (NAS), FL	29,325,868	11,532,830	40,858,698	34,981,128	14.4
Key West (NAS), FL	5,138,700	2,953,477	8,092,177	6,377,136	21.2
Kings Bay (SUBASE), GA	2,762,453	1,963,869	4,726,322	3,562,352	24.6
Mayport (NAVSTA), FL	11,942,264	7,901,766	19,844,030	14,915,297	24.8
Orlando (NAC), FL	49,768,016	16,905,894	66,673,910	59,803,280	10.3
Jacksonville FSO Totals	**$131,836,454**	**$61,021,950**	**$192,888,404**	**$162,180,904**	**15.9%**



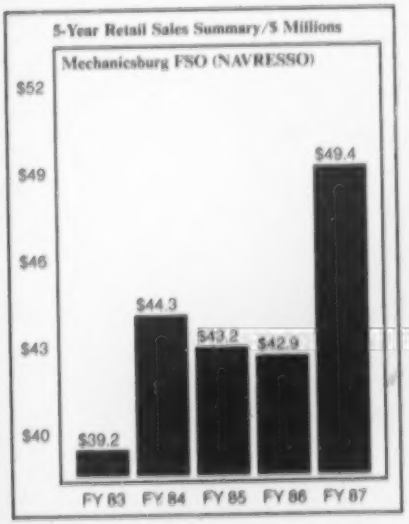


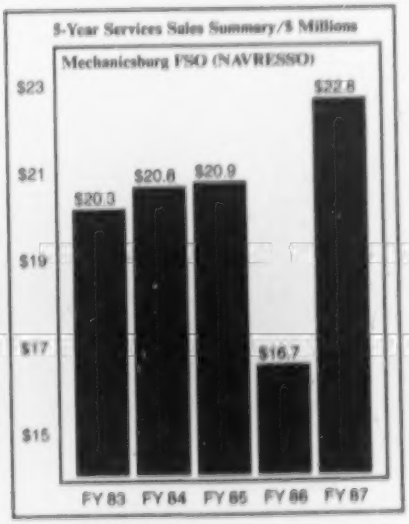


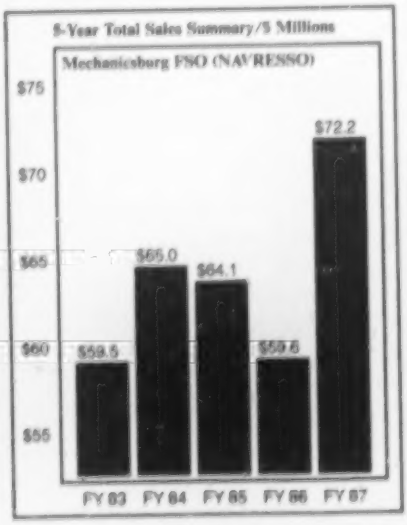
Mechanicsburg FSO

Store	FY87 $Sales Retail	FY87 $Sales Services & Other	FY87 $Sales Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Annapolis (NS), MD	5,510,405	1,861,366	7,371,771	5,668,927	23.1
Arlington (NUC), VA	1,522,078	228,914	1,750,992	1,505,040	14.0
Bethesda (NAVMEDCOM), MD	10,137,472	5,785,251	15,922,723	12,288,287	22.8
Colts Neck (NNWS), NJ	711,924	292,028	1,003,952	746,188	25.7
Dahlgren (NSW), VA	512,724	714,857	1,227,581	1,144,259	6.8
Indian Head (NOS), MD	334,889	159,154	504,043	a/	a/
Lakehurst (NAS), NJ	3,085,570	1,012,260	4,097,830	4,382,073	-6.9
Mechanicsburg (NSPCC), PA	830,737	66,701	897,438	707,491	21.2
Patuxent River (NAS), MD	6,833,364	4,194,253	11,027,617	9,312,112	15.6
Philadelphia (ASO), PA	468,169	26,520	494,689	459,978	7.0
Philadelphia (NRMC), PA	224,038	133,793	357,831	517,497	-44.6
Philadelphia (NAVSTA), PA	13,284,398	4,842,929	18,127,327	14,196,572	21.7
Staten Island (NUS), NY	230,073	0	230,073	210,079	8.7
Warminster (NADC), PA	404,929	79,490	484,419	527,309	-8.9
Washington (NYD), DC	1,093,158	2,531,170	3,624,328	3,532,853	2.5
Willow Grove (NAS), PA	4,224,328	852,336	5,076,664	4,586,632	9.7
Mechanicsburg FSO Totals	**$49,408,256**	**$22,781,022**	**$72,199,278**	**$59,785,297**	**17.2%**

Note: /a Information not available

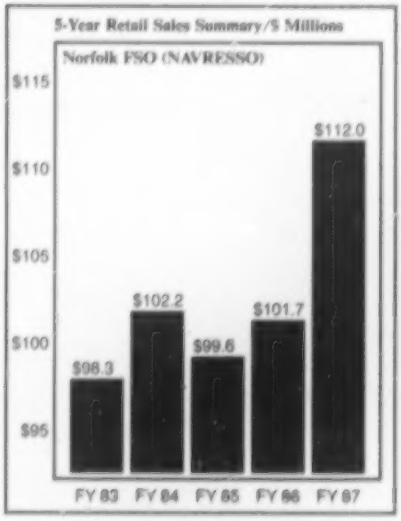


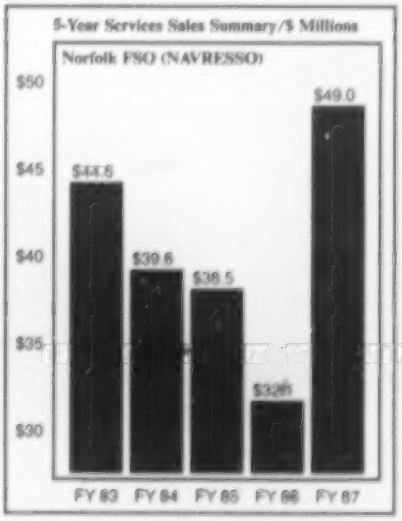




Norfolk FSO

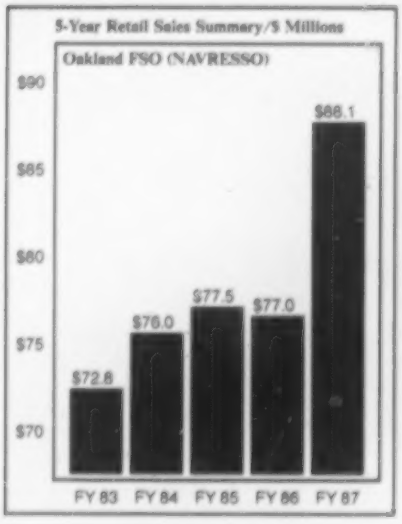
Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Chesapeake (NSGA), MD	464,102	213,609	677,711	603,961	10.9
Little Creek (NAB), VA	37,888,629	6,894,617	44,783,246	40,351,064	9.9
Norfolk (AFH), VA	1,200,265	1,063,955	2,264,220	2,270,394	-0.3
Norfolk (NB), VA	38,686,216	23,456,841	62,143,057	49,491,725	20.4
Norfolk (NUMOC), VA	3,881,772	0	3,881,772	3,053,949	21.3
Oceana (NAS), VA	16,208,776	7,154,053	23,362,829	19,672,409	15.8
Portsmouth (NRMC), VA	1,476,772	2,302,908	3,779,680	2,555,855	32.4
Portsmouth (NNS), VA	7,149,443	2,577,348	9,726,791	8,142,106	16.3
Sugar Grove (NRS), WV	125,767	53,512	179,279	175,899	1.9
Virginia Beach (FAAWTC), VA	3,263,109	4,395,081	7,658,190	4,951,964	35.3
Yorktown (NWS), VA	1,658,867	969,602	2,628,469	2,523,693	4.0
Norfolk FSO Totals	**$112,003,718**	**$49,081,526**	**$161,085,244**	**$133,793,019**	**16.9%**

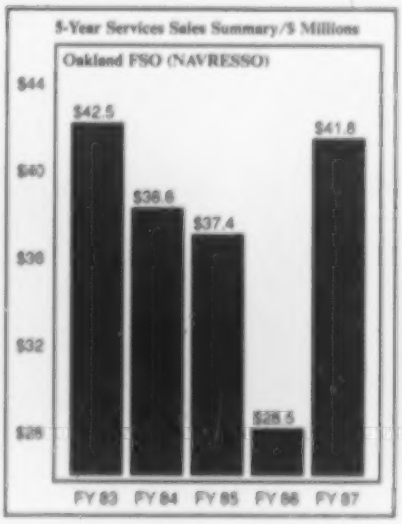


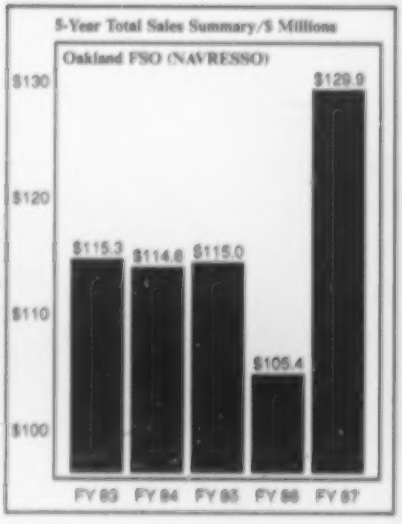


Oakland FSO

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Alameda (NAS), CA	22,122,673	9,065,480	31,188,153	22,262,285	28.6
Concord (NWS), CA	665,636	375,552	1,041,188	1,101,976	-5.8
Fallon (NAS), NV	2,255,727	1,844,437	4,100,164	3,387,397	17.4
Ferndale (NFCB), CA	150,828	63,996	214,824	217,352	-1.2
Lemoore (NAS), CA	9,008,256	6,655,895	15,664,151	13,173,470	15.9
Mare Island (NAVSTA), CA	8,722,954	6,245,805	14,968,759	11,381,153	24.0
Moffett Field (NAS), CA	21,682,867	8,754,287	30,437,154	25,019,565	17.8
Monterey (NPS), CA	9,475,349	2,862,029	12,337,378	11,101,521	10.0
Novato (DODHF), CA	6,040,585	1,553,709	7,594,294	6,408,242	15.6
Oakland (NRMC), CA	1,684,279	1,207,977	2,892,256	2,970,530	-2.7
Oakland (NSC), CA	374,332	417,505	791,837	753,698	4.8
Skaggs Island (NSGA), CA	117,374	134,739	252,113	242,692	3.7
Stockton (NCS), CA	1,163,999	330,856	1,494,855	1,650,446	-10.4
Treasure Is (NAVSTA), CA	4,691,751	2,323,627	7,015,378	5,734,781	18.3
Oakland FSO Totals	**$88,156,610**	**$41,835,894**	**$129,992,504**	**$105,405,108**	**18.9%**



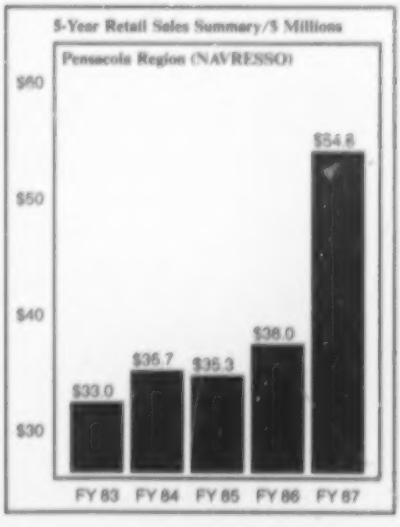


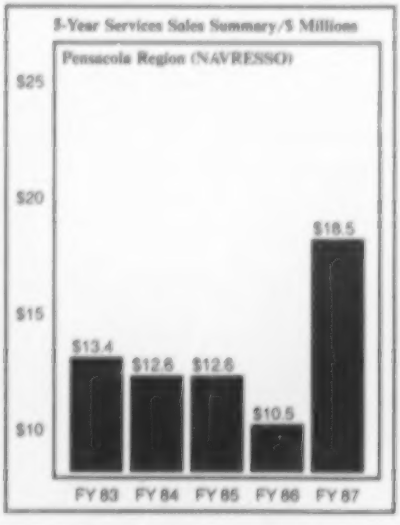


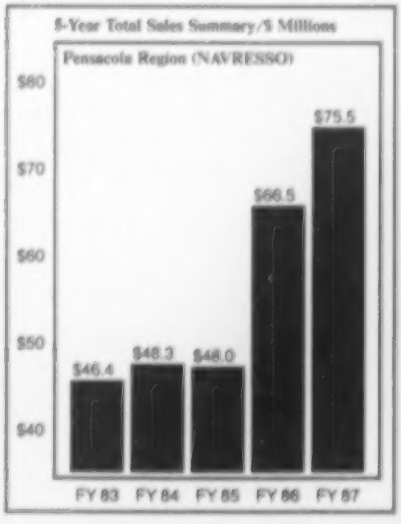
Navy Exchange Sales
(FY87)

Pensacola Region

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Gulfport (NCBC), MS	4,882,636	2,863,859	7,746,495	6,237,650	19.5
Meridian (NAS), MS	5,259,155	3,726,406	9,185,561	7,026,906	
New Orleans (NSA), LA	8,747,899	2,540,506	11,288,355	10,970,178	
Panama City (NCS), FL	1,365,511	356,851	1,722,362	1,679,178	2.5
Pascagoula (SCR), FL	567,366	66,004	633,371	616,558	2.7
Pensacola (NAS), FL	29,899,007	6,133,806	38,180,779	33,640,545	11.9
Pensacola (NTTC), FL	1,284,146	1,313,536	2,597,682	2,743,726	-5.6
Whiting Field (NAS), FL	2,603,386	1,537,562	4,140,948	3,554,803	14.2
Region Totals	**$54,609,106**	**$18,538,530**	**$75,495,553**	**$66,469,544**	**11.9%**

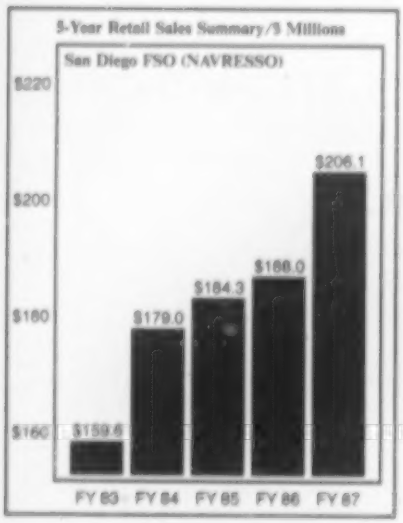


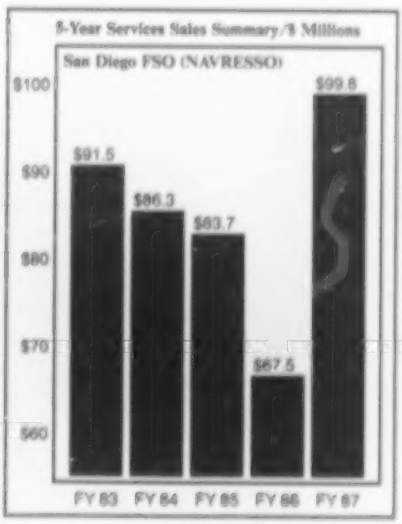


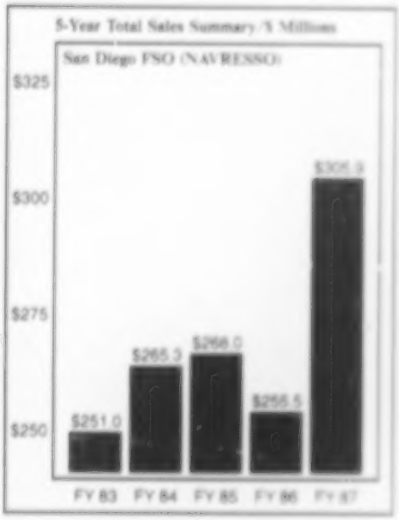


San Diego FSO

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
China Lake (NWC), CA	3,085,727	1,810,713	4,896,440	4,725,316	3.5
Coronado (NAB), CA	3,730,338	3,971,367	7,701,705	5,754,076	25.3
El Centro (NAF), CA	944,725	489,612	1,434,337	1,261,631	12.0
Imperial Beach, CA	5,490,596	2,734,273	8,224,869	7,581,657	7.8
Long Beach (NAVSTA), CA	27,685,752	9,109,638	36,795,390	28,568,663	22.4
Miramar (NAS), CA	43,331,772	14,512,269	57,844,041	49,512,734	14.4
North Island (NAS), CA	17,520,382	13,968,294	31,488,676	26,412,639	16.1
Point Mugu (NAS), CA	4,516,054	4,606,740	9,122,794	6,388,277	30.0
Port Hueneme (NCBC), CA	15,319,612	5,865,584	21,185,196	18,808,354	11.2
San Clemente (NAS), CA	255,537	63,215	318,752	305,304	4.2
San Diego (NAVHOSP),CA	2,586,728	2,289,881	4,876,609	4,624,907	5.2
San Diego (NAVSTA), CA	61,071,659	19,053,377	80,125,036	66,930,090	16.5
San Diego (NSSF), CA	1,787,428	2,507,358	4,294,786	2,806,076	34.7
San Diego (NAC), CA	18,791,333	18,855,107	37,646,440	31,871,211	15.3
San Diego FSO Totals	**$206,117,643**	**$99,837,428**	**$305,955,071**	**$255,550,935**	**16.5%**







Stand Alone Exchange

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Memphis (NAS), TN	$23,609,308	$13,020,190	$36,629,498	$29,366,423	19.8%

NAVRESSO Exchange Sales
(FY87)

Alaska

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Adak (NAS), AK	$10,183,873	$2,484,915	$12,668,788	$11,572,864	8.7%

Australia

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Exmouth (NCS)	$1,295,986	$254,725	$1,550,711	$1,562,888	-0.8%

Bermuda

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Bermuda (NAS)	$7,449,178	$3,094,418	$10,543,596	$8,583,258	18.6%

Crete

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Souda Bay (NAS)	$481,423	$45,085	$526,508	$516,638	1.9%

Cuba

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Guantanamo Bay (NS)	$11,614,326	$6,926,944	$18,541,270	$15,337,627	17.3%

Hawaii

Store	FY87 $Sales Retail	FY87 $Sales Services & Other	FY87 $Sales Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Barbers Point (NAS)	18,064,276	8,756,033	26,820,309	21,855,828	18.5
Wahiawa (NCA)	1,336,334	244,159	1,580,493	1,634,602	-3.4
Kauai (PMF)	853,453	506,913	1,360,366	1,274,124	6.3
Lualualei (NM)	326,427	227,497	552,924	663,274	-19.9
Pearl Harbor (NB)	78,450,761	21,179,908	99,630,669	88,731,891	10.9
Hawaii Totals	**$99,031,251**	**$30,914,510**	**$129,944,761**	**$114,159,714**	**12.1%**

Note: /a Information not available.

Iceland

Store	FY87 $Sales Retail	FY87 $Sales Services & Other	FY87 $Sales Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Keflavic (NAVSTA)	$13,504,049	$4,465,524	$17,969,573	$16,446,465	8.5%

Italy

Store	FY87 $Sales Retail	FY87 $Sales Services & Other	FY87 $Sales Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Gaeta (NSA)	681,408	342,268	1,023,676	850,837	16.9
Naples (NSA)	26,197,126	8,809,048	35,006,174	32,619,965	6.8
La Maddelena (NSO)	2,226,539	325,390	2,551,929	2,275,838	10.8
Sigonella (NAS)	14,654,216	5,277,008	19,931,224	18,216,425	8.6
Italy Totals	**$43,759,289**	**$14,753,714**	**$58,513,003**	**$53,963,065**	**7.7%**

Japan

Store	FY87 $Sales Retail	FY87 $Sales Services & Other	FY87 $Sales Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Atsugi	10,398,072	4,456,243	14,854,315	12,597,126	15.2
Sanno (NEXF)	3,382,728	200,958	3,583,686	2,595,190	27.6
Sasebo (FLACT)	6,021,997	1,562,984	7,604,981	6,432,333	15.4
Yokosuka (NESC)	40,799,852	16,826,244	57,626,096	51,970,248	9.8
Japan Totals	**$60,602,649**	**$23,066,429**	**$83,669,078**	**$73,594,897**	**12.0%**

Marianas Islands

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Guam (NS)	$40,277,327	$12,283,410	$52,560,737	$45,480,968	13.5%

Newfoundland

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Argentia (NF)	$1,082,726	$312,465	$1,395,191	$1,280,797	8.2%

New Zealand

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Christchurch (NSFA)	$547,791	$24,422	$572,213	$554,314	3.1%

Philippines

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Cubi Point (NAS)	5,972,808	2,849,949	8,822,757	7,646,962	13.3
San Miguel (NCS)	2,250,867	692,685	2,943,552	2,687,405	8.7
Subic Bay (NAVSTA)	34,289,798	11,076,644	45,366,442	41,205,565	9.2
Philippines Totals	**$42,513,473**	**$14,619,278**	**$57,132,751**	**$51,539,932**	**9.8%**

Portugal

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Lisbon (IFA)	$712,382	0	$712,382	$715,482	-0.4%

Puerto Rico

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Roosevelt Roads (NAVSTA)	17,014,484	6,473,045	23,487,529	18,645,270	20.6
Sabana Seca (NSGA)	2,487,899	243,288	2,731,187	2,216,098	18.9
Puerto Rico Totals	**$19,502,383**	**$6,716,333**	**$26,218,716**	**$20,861,368**	**20.4%**

Spain

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Rota (NAVSTA)	$23,890,385	$7,814,085	$31,704,470	$26,002,174	9.2%

United Kingdom

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Brawdy (NAVFAC), Wales	1,036,867	192,212	1,229,079	1,014,232	17.5
Edzell (NSGA), Scotland	2,240,967	575,217	2,816,184	2,593,638	7.9
Holy Loch (NSA), Scotland	3,842,071	594,354	4,436,425	3,550,848	20.0
London (NAUK), England	1,098,864	229,661	1,328,525	1,262,342	5.0
Machrihanish (NAW), Scotland	291,316	40,058	331,374	221,723	33.1
St Mawgan (NAW), England	320,864	115,524	436,388	370,062	15.2
Thurso (NCS), Scotland	533,183	70,576	603,759	540,251	10.5
Ruislip (NAW), England	2,764,364	443,498	3,207,862	2,561,964	20.1
United Kingdom Totals	**$12,128,496**	**$2,261,100**	**$14,389,596**	**$12,115,060**	**15.8%**

West Indies

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Antigua (NAS)	$648,652	$90,114	$738,766	$789,483	-6.9%

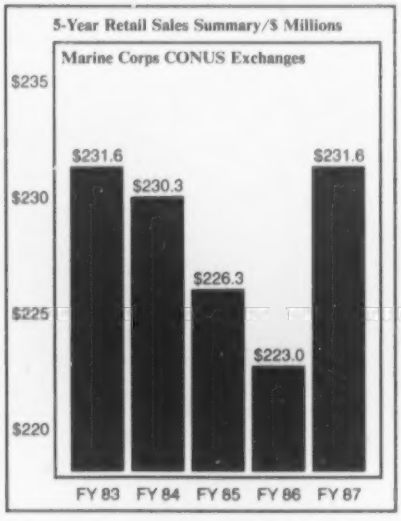
Totals

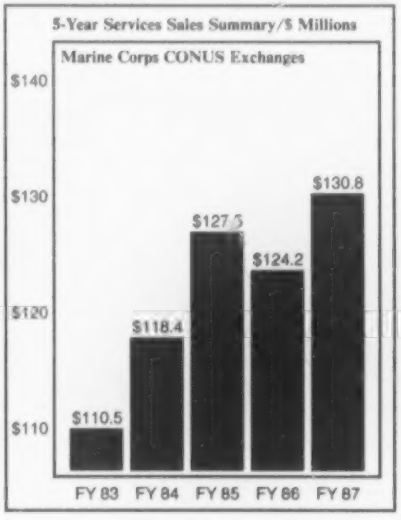
Navy	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
CONUS	**$839,704,932**	**$380,365,894**	**$1,220,070,826**	**$1,024,298,109**	**16.0%**
Overseas	**$389,225,639**	**$129,118,789**	**$518,344,428**	**$454,457,735**	**12.3%**
Worldwide	**$1,228,930,571**	**$509,484,683**	**$1,738,415,254**	**$1,487,755,844**	**14.9%**

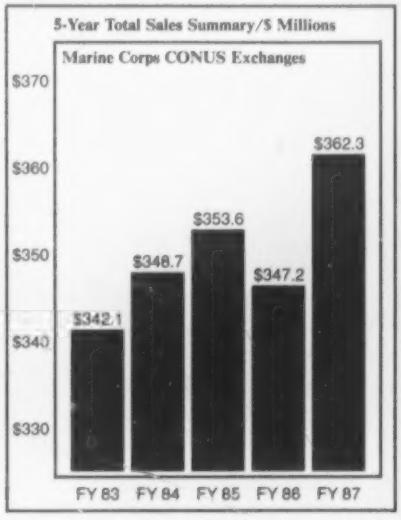
Marine Corps Exchange Sales
(FY87)

Continental U.S.

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Albany, GA	3,629,848	1,126,408	4,756,256	4,585,495	3.6
Barstow, CA	1,206,250	1,252,088	2,458,338	2,591,178	-5.4
Camp Elmore, VA	4,251,879	1,827,819	6,079,698	5,390,367	11.3
Camp Lejeune, NC	37,479,615	33,201,589	70,681,204	64,288,975	9.0
Camp Pendleton, CA	39,710,534	30,997,873	70,708,407	66,783,275	5.6
Cherry Point, NC	14,321,354	10,810,814	25,132,168	25,199,038	-0.3
El Toro, CA	21,975,309	16,416,279	38,391,588	42,941,995	-11.9
Henderson Hall, VA	15,853,639	2,484,522	18,338,161	14,578,069	20.5
Parris Island, SC	18,703,794	7,440,079	26,143,873	24,787,929	5.2
Quantico, VA	32,226,433	6,779,801	39,006,234	35,735,268	8.4
San Diego, CA	24,617,684	6,369,413	30,987,097	29,849,173	3.7
Twentynine Palms, CA	13,276,185	8,081,577	21,357,762	21,813,496	-2.1
Yuma, AZ	4,333,451	4,002,520	8,335,971	8,594,832	-3.1
CONUS Totals	**$231,585,975**	**$130,790,782**	**$362,376,757**	**$347,139,090**	**4.2%**

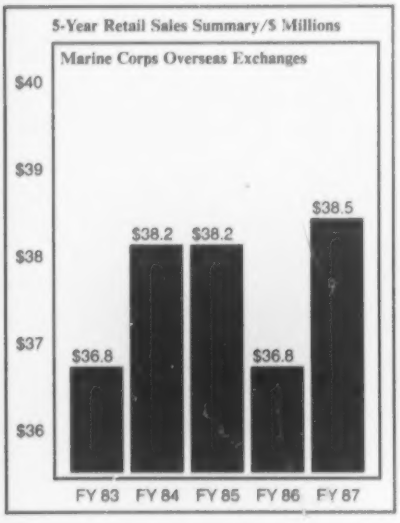


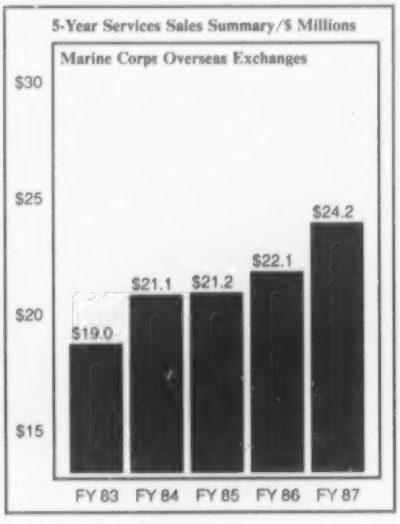


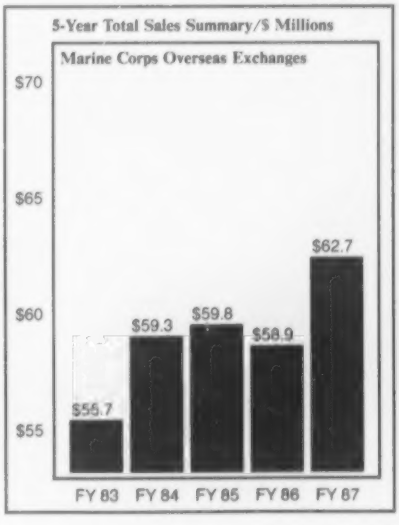


Overseas

Store	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
Guantanamo Bay, Cuba	3,693,787	259,609	3,953,396	4,817,549	-28.5
Iwakuni, Japan	10,275,507	8,524,756	18,800,263	17,152,128	8.8
Kaneohe Bay, HI	19,571,870	i4,866,048	34,437,918	32,524,212	5.5
Rodman, Panama	4,958,932	556,065	5,514,997	4,445,623	19.4
Overseas Totals	**$38,500,096**	**$24,206,478**	**$62,706,574**	**$58,939,512**	**6.0%**







Totals

USMC	FY87 $Sales Retail	Services & Other	Total	Total $ Sales FY86	Total Sales % Change 87 vs 86
CONUS	**$231,585,975**	**$130,790,782**	**$362,376,757**	**$347,139,090**	**4.4%**
Overseas	**$38,500,099**	**$24,206,478**	**$62,706,574**	**$58,939,512**	**6.4%**
Worldwide	**$270,086,071**	**$154,997,260**	**$425,083,331**	**$406,078,602**	**4.7%**